

FBIS

DAILY REPORT

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[12 Nov]

RENMIN RIBAO DENOUNCES U.S. THREATS TO NICARAGUA

HK170812 Beijing RENMIN RIBAO in Chinese 17 Nov 84 p 7

[Short commentary: "Why Should the Strong Bully the Weak"]

[Text] With the U.S. presidential election just over, Washington has again stepped up interference and military threats against Nicaragua, thus heightening the tension in Central America and arousing the grave concern of the international community.

In recent days the United States had dispatched a succession of warships and planes to violate Nicaragua's territorial waters and airspace under the pretext that Soviet-made MIG fighters were being shipped into the country. At his first press conference after winning the election, President Reagan even threatened to "use force to prevent such a thing from happening." Even though the United States has acknowledged that it has not discovered any MIG fighters being shipped into Nicaragua, and has even admitted that this was "supposition" and "guesswork," the U.S. authorities' threats and intimidations have by no means ceased. Some senior officials in Washington have continued to accuse Nicaragua of bringing in "offensive weapons" and "directly threatening" U.S. security. They declared that they would take "emergency measures," and would not rule out the possibility of armed intervention in Nicaragua. At the same time the United States has continually dispatched warships and military units to Central America for exercises and deployment. All this cannot but lead people to conclude that the United States is deliberately creating new tension in Central America.

Previously, thanks to the peace efforts of the Contadora Group and the dialogue between various parties, the situation in Central America improved somewhat. This was welcomed by the Central American states and countries throughout the world. The situation now stirred up by the United States has wrecked the peace effort in Central America. The United States has babbled again and again that Nicaragua threatens U.S. security, but the plain fact is that the United States is busy all day long threatening Nicaragua's security. The root of these lame arguments produced by the U.S. authorities lies in the fact that the United States relies on its superpower status to regard Central America as its natural freedom, and it does not feel comfortable if any country does not act according to its will, and threatens that country. This is nothing but the hegemonist logic that the strong should bully the weak.

The U.S. military threats against Nicaragua show yet again that it has no intention of changing its stand of controlling and interfering in Central America. This runs counter to the aspirations of the people of Central America in urgently demanding peace. The U.S. action in relying on its military strength to bully a small country is extremely unpopular and has already been censured by international opinion. The United States and Nicaragua will soon hold new talks in Mexico. Let us hope the United States will change its superpower temper, withdraw its threats and intimidations, properly respect Nicaragua's sovereignty, and solve the differences through talks. Improving the Central American situation will be advantageous for the United States as well as for the countries of Central America.

WU XUEQIAN WRITES SHULTZ ON CHEMICAL WEAPONS BAN

OW190242 Beijing XINHUA Domestic Service in Chinese 1450 GMT 16 Nov 84

[Text] Washington, 15 Nov (XINHUA) -- Chinese Ambassador to the United States Zhang Wenjin today delivered to U.S. State Department officials a letter from Chinese Foreign Minister Wu Xueqian to U.S. Secretary of State Shultz.

In the letter, Wu told about China's decision to enter the "Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on the Destruction of Such Weapons," and expounded the position of the Chinese Government on the biological weapons issue.

In the letter, Wu Xueqian said: "In accordance with the decision of the NPC Standing Committee, PRC President Li Xiannian has approved the entry of the PRC into the "Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on the Destruction of Such Weapons" which was signed in Washington, London, and Moscow on 10 April 1972.

The PRC Government stated: The basic spirit of the antibiological weapons convention is in keeping with China's consistent stand and is beneficial to the peace-loving countries and people in opposing aggression and defending world peace. China was one of the victims of biological (bacteriological) weapons. China has never produced and possessed such weapons, nor will it do so in the future. However, the Chinese Government holds that the convention has drawbacks. For instance, it fails to clearly stipulate the prohibition of using biological weapons, fails to define specific and effective measures for supervision and inspection, and lacks effective measures in accusation procedures for dealing with cases of violations of the convention. The Chinese Government hopes that these drawbacks can be compensated for and improved at an appropriate time. The Chinese Government also hopes that a convention on the all-around prohibition and complete destruction of chemical weapons will be formulated as soon as possible. The signing of the convention by the Taiwan authorities in China's name on 10 April 1972 and their ratification of it on 9 February 1983 are illegal and invalid.

SRV PLAN FOR ISLAND WEATHER STATIONS REJECTED

OW171255 Beijing XINHUA in English 1229 CMT 17 Nov 84

["Vietnam's Plan To Establish Meteorological Stations in South China Sea Rebuffed" -- XINHUA headline]

[Text] Geneva, November 16 (XINHUA) -- Luo Jibin, head of the Chinese delegation to a ten-day world meteorological conference, issued a statement here today opposing Vietnam's attempt to establish meteorological stations on islands in the South China Sea.

Luo pointed out: "The Xisha Islands, Zhongsha Islands, Dongsha Islands and Nansha Islands in the South China Sea have been an integral part of the Chinese territory since ancient times. China has indisputable territorial sovereignty over these islands. The setting up of meteorological stations or establishments on the above-mentioned Chinese islands by an other country without the consent of the Chinese Government is illegal."

The Asian Regional Association of the World Meteorological Organization (WMO) opened its quadrennial meeting on November 5. The meeting had examined the activities of the Asian Regional Association in weather watch and atmospheric sciences and research in the past four years.

REAGAN, CHERNENKO EXCHANGE NOTES ON RELATIONS

OW190648 Beijing in Russian to the USSR 1800 GMT 15 Nov 84

[Text] President of the United States Reagan sent a letter to the USSR Supreme Soviet Presidium on 14 November expressing hope for improvement of U.S.-USSR relations during his second term in office. Reagan's letter was a response to a message of greeting from the Soviet side in connection with his reelection to the position of President.

On the same day USSR Ambassador to the United States Dobrynin made public to correspondents in Washington a statement of Soviet leader Chernenko who called on Reagan to respond objectively and without any prejudice to the Soviet proposal on arms control and declared that a particular responsibility for peace in the world lies on the Soviet Union and the United States. The Soviet Union desires agreement with the United States on a broad spectrum of issues.

NUCLEAR SOCIETY GROUP ATTENDS CONFERENCE IN U.S.

OW170928 Beijing XINHUA in English 0859 GMT 17 Nov 84

[Text] Washington, November 16 (XINHUA) -- The International Conference of the American Nuclear Society and the European Nuclear Society ended its annual winter session here today. A Chinese delegation headed by Jiang Shengjie, president of the Chinese Nuclear Society, attended the meeting.

Jiang told XINHUA at the end of the session: "During the meeting, we made broad contacts with many Chinese-American scholars and colleagues from various countries. We exchanged experience in the peaceful use of nuclear energy and furthered mutual understanding and friendship. We can use much of their experience."

More than 2,000 delegates from some 10 countries and regions attended the six-day session, the main theme of which was the peaceful utilization of nuclear energy. At the session, Jiang delivered a speech on the prospects of heat supply from nuclear energy in China and gave a brief account of the peaceful utilization of atomic energy in China. Jiang also announced at the meeting that the Chinese Nuclear Society will sponsor the 6th Pacific Nuclear Energy Conference in Beijing in 1987 and has held the first preparatory meeting for the purpose.

PRC DELEGATE AT UN SPEAKS ON DRUG CONTROL

OW170322 Beijing XINHUA in English 0301 GMT 17 Nov 84

[Text] United Nations, November 16 (XINHUA) -- A Chinese delegate told the Third Committee of the United Nations General Assembly here today that the Chinese Government "strictly forbids transport of narcotics by foreigners through Chinese territory to other countries." The committee was meeting to consider the agenda item entitled "International Campaign Against Traffic in Drugs."

Chen Shiqu, an adviser to the Chinese delegation at the 39th session of the U.N. General Assembly, said that in recent years some foreign drug dealers have tried to take advantage of China's open door policy and its promotion of tourism to transport narcotics through China. "But all these narcotics have been seized, and the dealers involved punished according to law," he stated.

Chen Shiqu said that the illicit cultivation, production, trafficking and use of narcotics continues to exist to a serious extent in some countries and regions. These activities, he continued, "constitute a scourge to society, doing harm to the mental and physical well-being of many people, young people in particular. They lead to crime and jeopardize the economic and social development of the countries concerned."

"The prohibition of traffic in drugs, the control of narcotics and the elimination of drug-taking require co-ordinated efforts at the national, regional, and international levels, with national efforts as the primary focus," Chen Shiqu stressed. He told the committee that by the 50s, China had eradicated the harmful effects of opium and totally erased the traffic in and consumption of narcotics.

"China has always adhered to the principle of strict narcotics control. The cultivation and production of narcotics are carried out by authorized units under state control. The use of narcotics for medical purposes and scientific research is placed under government direction. There are strict regulations with regard to the use of narcotics and psychotropic substances for medical purposes by medical personnel. In accordance with the 1971 Convention on Psychotropic Substances, the Chinese Ministry of Public Health has, since October 1983, instituted a system of issuing permits for the import and export of 40 different psychotropic substances. This has helped increase effective control over the import and export of psychotropic substances."

"The ban on drug traffic and the elimination of the harmful effects of narcotics require not only determined and effective measures on the part of the countries concerned, but also close cooperation at the regional and international levels," Chen Shiqu said.

YANG JINGREN, RU XIN FETE FOREIGN SCHOLARS

OW171735 Beijing XINHUA in English 1607 GMT 17 Nov 84

[Text] Beijing, November 17 (XINHUA) -- Yang Jingren, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, gave a banquet this evening in honor of the participants to the international informal consultation on racial problems.

At the banquet, Yang, also minister in charge of the state Commission for Nationality Affairs, expressed warm welcome to the participants to the meeting, which is jointly sponsored by the UNESCO and the Institute of Nationality Studies under the Chinese Academy of Social Sciences. He said, in the last three days, the scholars had had academic exchanges on the social, economic, cultural and political causes of apartheid and racism in South Africa and made positive recommendations for the elimination of racism and apartheid in South Africa. Yang reaffirmed that the Chinese Government firmly opposed the apartheid and racism in South Africa and supports the Namibian people in their struggle for independence.

UNESCO representative Marion O'Cailaghan said the welcome they received in Beijing illustrated the stand of the Chinese Government, party and people on the whole issue of apartheid and racism.

Prior to the banquet, Yang met with the participants. Present at the meeting and banquet were also Wu Jinghau and Luo Bosang, vice-ministers of the state Commission for Nationality Affairs, and Ru Xin, vice-president of the Chinese Academy of Social Sciences.

FORMER SECRETARY OF STATE HAIG CONTINUES VISIT

Wu Xiuquan Hosts Dinner

OW171311 Beijing XINHUA in English 1256 GMT 17 Nov 84

[Text] Beijing, November 17 (XINHUA) -- Wu Xiuquan, chairman of the Beijing Institute for International Strategic Studies, met here this afternoon with Alexander Haig, former U.S. secretary of state. The two exchanged views on a number of international issues. After the meeting, Wu hosted a dinner for Haig.

Huang Hua Meets Haig

OW171201 Beijing XINHUA in English 1133 GMT 17 Nov 84

[Text] Beijing, November 17 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of the National People's Congress, met Alexander Haig, former U.S. secretary of state, here this afternoon. In their talks, both men stressed the importance of strengthening Sino-U.S. relations and agreed that they would do their best to further bilateral economic and technological exchange and trade links.

CHINA DAILY Interview

HK170124 Beijing CHINA DAILY in English 17 Nov 84 p 1

[By staff reporter Wang Gangyi]

[Text] China yesterday took delivery of the first of a batch of U.S. Sikorsky helicopters. Alexander Haig, former U.S. secretary of state and now a consultant with Sikorsky, attended the handing-over ceremony in Beijing.

In an exclusive interview with CHINA DAILY, Haig said that the \$150 million deal represented the most advanced technology transferred to China so far by a U.S. company.

The S70C helicopters were bought by China's Poly Technologies Inc. and the Machinery Import and Export Corporation. The delivery is expected to be completed next June.

Haig said he was very pleased with the current state of Sino-U.S. relations, which had improved as a result of a change in U.S. Government policy. "When I was the secretary of state," Haig said, "I felt Reagan's White House was not as sensitive as it should be to the continuity of the China policy established by his three predecessors. It was dangerously wrong," he said. But he added that it had been corrected by the joint communique signed in August, 1982. "Subsequent events, especially Reagan's visit to China earlier this year have put Sino-U.S. relations on a sound footing," he said.

Haig said that the August communique had provided a good framework for the handling of the Taiwan issue between the United States and China. He pointed out that this year's presidential election was the first in recent years when Taiwan had not been on election issue.

And he cited this as confirmation that the U.S. Government had handled the Taiwan issue with improved sensitivity.

On the international situation, Haig said the East-West relations were very unsettled. But he thought that, in the second Reagan administration, Washington and Moscow would sense a need and an imperative to improve relationships.

Haig also pointed out that people could misread the so-called turn of the United States to the Pacific. "This does not mean that the security arrangement of West Europe is any less important than it was at the end of the Second World War," he said. "Indeed it probably is more important."

Lecture on Sino-U.S. Relations

OW170901 Beijing XINHUA in English 0830 GMT 17 Nov 84

[Text] Beijing, November 17 (XINHUA) -- Alexander Haig, former U.S. secretary of state and now senior advisor to the United Technology Corporation, said he believed that U.S.-China relations were on an improving and sound track. He was speaking at a lecture on U.S. foreign policies here today.

Haig said the U.S.-China Joint Communiqué of August 17, 1982, provided a sound basis for optimism for the future. "Relationships with China are not a subject of controversy," he said. "The American people want good relationship with the people of China, and no American leader will survive the failure to be responsive to that American mood."

On U.S.-China economic and technical cooperation, Haig said that long-term interests should be taken into consideration. The United States could help China in the fields of technical know-how, its application, investment and joint venture, he added. Haig also touched upon other subjects, including East-West relations, the United States' relationships with the developing countries and its ties with friendly European countries.

The lecture was sponsored by the Chinese People's Institute of Foreign Affairs and presided over by its president, Han Nianlong.

SAN FRANCISCO MAYOR, DELEGATION CONCLUDE VISIT

Sign Memorandums in Shanghai

OW180841 Shanghai City Service in Mandarin 2300 GMT 15 Nov 84

[Text] A ceremony was held in Shanghai on 15 November for signing memorandums on friendly exchange programs in 1985 and on strengthening the economic and trade relations between Shanghai and San Francisco. Mayor Wang Daohan and Mayor Feinstein signed the two memorandums on behalf of their respective cities.

Depart for Hong Kong

OW180843 Shanghai City Service in Mandarin 2300 GMT 16 Nov 84

[Text] An American delegation from San Francisco led by Mayor Feinstein concluded its visit to Shanghai and left for Hong Kong on the afternoon of 16 November. Mayor Wang Daohan and others saw the delegation off at the airport. Earlier in the morning, the Standing Committee of the Sixth Shanghai Municipal People's Congress received Mayor Feinstein and her delegation and exchanged souvenir plates.

RENMIN RIBAO URGES USSR OUT OF AFGHANISTAN

HK180749 Beijing RENMIN RIBAO in Chinese 18 Nov 84 p 6

[Short commentary: "Failing To Take the Offered Way Out"]

[Text] After several days of debate, the UN General Assembly session has adopted by an overwhelming majority a resolution demanding that the Soviet Union immediately withdraw its troops from Afghanistan. This is the sixth resolution passed by the UN General Assembly on the Afghan issue since the Soviet Army invaded the country in December 1979. The distinguishing feature this time is that 119 countries voted in favor of the resolution, an increase of 3 over last year. This fully shows that the Soviet Union has become still more isolated internationally due to its invasion of Afghanistan.

Representatives of many countries at this session continued to call on the Soviet Union to withdraw all its forces from Afghanistan, and to preserve the country's sovereignty, territorial integrity, political independence, and nonaligned status; they demanded that the Afghan people be allowed to decide on their own form of government without outside interference. The Soviet Union has been hearing for 6 years this strong call of peace-loving countries and peoples throughout the world. It is regrettable that the Soviet Union has paid no heed to this call but has clung obstinately to its course. Apart from refusing to carry out the UN General Assembly resolutions, the Soviet Union is actually intensifying its war of aggression in Afghanistan.

Since March and April this year, the Soviet Union has carried out vigorous domestic propaganda on the so-called "brilliant combat achievements" of the Soviet forces in Afghanistan. At the same time it has reinforced its Air Force and various branches of its ground forces there, to step up its offensive against the Afghan resistance forces. After the so-called "spring offensive," it launched a new offensive in the Panjsher Valley area. Various indications show that the Soviet Union is resolved to continue to occupy Afghanistan with military force and treat it as a springboard for achieving its southward strategy.

However, the flames of the national struggle for self-salvation cannot be extinguished. The longer the Soviet Union occupies Afghanistan, the greater is the Afghan people's hatred for the Soviet aggressors, the higher becomes the combat capability and tactical standard of the Afghan resistance forces, and the more developed is the solidarity and coordination of the various resistance groups. The greater the hardships and the more serious the situation, the more are talented people with foresight, sagacity, rare gifts, and bold strategy tempered. It is inevitable that the Afghan people's struggle against aggression will develop daily. If the Soviet Union continues to hold on to Afghanistan, it is inevitable too that every day it will sink deeper into the mire. No matter how many more aggressor troops, aircraft, guns, and new weapons it employs, it cannot be saved from defeat. The latest UN General Assembly resolution on the Afghan issue is actually offering the Soviet Union a way out. How stupid the Soviet Union will be if it fails to take the offered way out and desires to go on heading for a dead end.

JAPANESE DELEGATION MEETS WITH OFFICIALS

Hu Yaobang, Wang Bingnan Meeting

OW180921 Beijing XINHUA in English 0859 GMT 18 Nov 84

[Text] Beijing, November 18 (XINHUA) -- China will expand its foreign trade and cooperation with foreign firms next year, Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, told a visiting Japanese delegation here today. During the meeting which took place at Zhongnanhai, Hu told Yasushi Inoue, head of the delegation from the Japan-China Cultural Exchange Association, that China welcomed Japanese Enterprises, big or small, to invest in China in competition with other foreign countries. Inoue noted that China's construction was proceeding at a rapid pace.

Hu Yaobang stressed that among the cultural, economic and technological exchanges and exchanges of friendship, the most important was the exchange of friendship. "People of our two countries should be linked by heart," he said.

Hu Yaobang asked Inoue about his view on Sino-Japanese cultural exchanges. Inoue replied that the exchanges between the two countries cover many fields and it was especially important to strengthen the exchanges between the young people of Japan and China. The visit to China of the 3,000 Japanese young people at the invitation of Hu Yaobang earlier this year was an important event, he said.

Wang Zhaoguo, China's chief representative of the 21st Century Committee for China-Japan Friendship who was present at the meeting, said that China planned to arrange exchanges between groups of young people of the two countries in some fields next year.

Hu expressed his approval. In addition to economic, scientific and technological exchanges, he said, exchanges might be held in literature and art, sports, calligraphy, and culinary art and the art of hand weaving, he said. Exhibitions of these skills would certainly be warmly received, Hu Yaobang added.

The meeting, lasting for more than an hour, proceeded in a friendly atmosphere. Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, attended.

Wang Zhen Fetes Visitors

OW162000 Beijing XINHUA in English 1606 GMT 16 Nov 84

[Text] Beijing, November 16 (XINHUA) -- Wang Zhen, member of the Political Bureau of the Chinese Communist Party Central Committee and honorary president of the China-Japan Friendship Association, met and feted a delegation led by Yasushi Inoue, chairman of the Japan-China Cultural Exchange Association, and Mrs Inoue. The delegation consists of well-known Japanese writers, actors and actresses.

Wang Zhen, Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, and Yasushi Inoue toasted the constant strengthening of cultural and art exchanges and friendship between the two countries. Among those present were leading members of China-Japan Friendship Association and well-known figures Xia Yan, Chen Tunan, Zhang Xiangshan, Zhou Enli, Zhang Junqiu, Xie Tieli and Hao Ran.

REPORTAGE, COMMENT ON NORTH, SOUTH KOREA TALKS

Trade Discussions Praised

HK170739 Beijing RENMIN RIBAO in Chinese 17 Nov 84 p 6

[Short commentary: "An Excellent Start"]

[Text] Representatives from North and South Korea held their first economic talks at the vice ministerial level at Panmunjom on 15 November. The two sides exchanged lists of commodities for cooperation and also agreed on the date for the next meeting. The positive results of these talks have provided an excellent start to economic cooperation between North and South Korea and are beneficial for easing the tension on the Korean peninsula. This deserves congratulations.

North Korea has rich natural resources and also a certain industrial foundation; the South has a certain level of technological strength, but lacks resources. If economic cooperation can be instituted between North and South, apart from promoting the understanding and compatriotic feeling of the two sides, each side can supply what the other needs and make up for each other's deficiencies. This will be very beneficial for the economic development of both sides.

The Korean people have now suffered for nearly 40 years from the bitterness of separation resulting from the artificial division of the 3,000 miles of mountains and rivers of Korea into two parts. The unstinting effort of the entire Korean people will be needed to bring about independent and peaceful reunification of the fatherland. A gap of 40 years cannot be filled in 1 day. However, more contacts and talks can deepen mutual understanding and gradually eliminate misunderstanding and mistrust. Chairman Kim Il-sung has said that he sincerely hopes that "the North and South will transcend their differences in ideology and system," and establish ties in many fields. The facts now prove that as long as both sides take a trusting and good will approach they will certainly be able to have contacts, talks, exchanges, and cooperation in even more fields. We hope that economic cooperation between North and South Korea can be fully realized and that, with this as a start, the cause of the independent and peaceful reunification of Korea will gradually develop. This will have a positive and far-reaching effect on preserving peace in northeast Asia and in Asia as a whole.

Beijing Radio Report

SK170140 Beijing International Service in Korean 1100 GMT 16 Nov 84

[Text] A DPRK delegation headed by Yi Song-nok, vice minister of foreign trade, and a South Korean delegation headed by Kim Ki-hwan, secretary general of the International Economic Policy Council of the South, held the first round of North-South economic talks at 1000 yesterday at the conference room of the Neutral Nations Supervisory Commission in Panmunjom. These official talks, held between the North and South sides of Korea for the first time in nearly 40 years, were to discuss economic cooperation. The talks continued for more than 2 hours.

Both parties proceeded with negotiations and discussions in a serious manner, prompted by compatriotic love and from the position of promoting economic exchanges and cooperation between North and South. The talks proceeded in a warm and friendly atmosphere.

Head of delegation Yi Song-nok said, in the talks, that North-South economic cooperation will not only be beneficial to both parties but will facilitate the development of a bright prospect for the reunification of the country. He noted that North-South economic cooperation and exchanges should be based on the principles of developing the national economy in a unified manner, guaranteeing the common interests of both parties, respecting the basic policy of the each party's economy, and considering mutual benefit, and proposed three items for proceeding with North-South economic cooperation.

First, he proposed joint development and utilization of underground resources and said that each party can develop and utilize the other party's mines with their own labor force and equipment. He said that the North can provide the South with iron ore and access to coal mines for extraction and that the South can provide the North with wolfram and rare metal ore mines for extraction.

Second, regarding cooperation in fishing, head of the DPRK delegation Yi Song-nok proposed that common fishing areas be established and that fishermen of the North and the South be allowed to freely engage in fishing there, that new fishing grounds be developed and utilized, and that organizations such as a joint-venture fishing corporation be established and operated.

Third, concerning cooperation in agriculture, head of the DPRK delegation Yi Song-nok said that the West Sea tideland in the areas of the North and the South can be jointly developed and that irrigation networks cut off by the Military Demarcation Line can be rejoined.

In the talks, both parties exchanged lists of the goods that could be exchanged. Yi Song-nok said that exchanges ought to be made by both parties in the fields of raw materials, finished goods, agricultural produce, and aquatic products, on the basis of satisfying each other's needs.

He said that the North side, considering the suggestion made by the South side in the past, can provide the South side with iron ores, coal, magnesia clinker, ordinary machine tools, mining equipment, and other manufactured goods, and such agricultural and aquatic products as pollack, rice, and maize. He said that the North side hopes to receive from the South side such industrial products as iron and steel, wolfram ore, naphtha, and fiber, and such agricultural and aquatic products as fish, salt, persimmons, and tangerines [as heard].

Addressing the issue of successfully proceeding with and coordinating economic cooperation and exchanges between the North and the South, Yi Song-nok said that to reinforce transport, the Seoul-Sinuiju railway line ought to be linked and that Nampo and Wonsan ports of the North side and Inchon and Pohang ports of the South side opened.

Head of the DPRK delegation Yi Song-nok also proposed that a North-South joint economic cooperation committee, composed of five economic experts from each of the two parties, be established.

Kim Ki-hwan, head of the South Korean delegation, made a proposal regarding the contents, quantities, prices, and mutual exemption of duties concerning various goods and proposed that iron ore and anthracite coal be jointly developed and that joint ventures be made in the field of light industry.

Both parties agreed to meet again on 5 December for talks at the conference room of the Neutral Nations' Supervisory Commission in Panmunjom.

Head of the DPRK delegation Yi Song-nok asked Kim Ki-hwan, head of the South Korean delegation, to convey to Sin Pyong-hyon, vice premier and minister of the Economic Planning Board of South Korea, the suggestion of Comrade Kim Hwan, vice premier of the State Administration Council of Korea, that the vice premiers of both parties meet personally in the course of the next round of talks or the initial rounds of talks to discuss North-South economic cooperation and exchanges.

After the talks concluded, head of the DPRK delegation Yi Song-nok talked with some 200 reporters outside the site of the talks. He said that the talks held that day, attended by figures of the economic circles of the North and the South side, were the first such talks in nearly 40 years and that they created a good atmosphere. He expressed the hope that figures of the economic circles of the North and the South will carry on the talks in a serious manner, with aspirations for reunification, so that they can bring about good results.

XINHUA: Encouraging Step

OW170925 Beijing XINHUA Domestic Service in Chinese 2027 GMT 15 Nov 84

["Roundup" by XINHUA reporters Li Tu and Gao Haorong: "An Encouraging Step" -- XINHUA headline]

[Text] Today the North and South of Korea held vice-ministerial talks at Panmunjon to discuss economic issues. The talks commanded world attention since they were first such talks in 39 years; that is, since the country was divided. During the talks, both sides showed an encouraging positive attitude which attracted people's attention.

1. The talks took place in a cordial atmosphere throughout the discussion. Both sides agreed that economic collaboration and the exchange of materials would be conducive to removing misunderstanding and distrust between the North and South, and would greatly benefit the economic development of both sides. Therefore, after the talks began, both sides quickly reached an agreement on the method and the procedure of talks and on other issues, and came straight to the point of putting forward their respective concrete proposals for the realization of economic cooperation and the exchange of materials. They had not discussed issues other than economic ones.

2. Both sides attached importance to the talks, and analyzed and studied the other side's situation. They had also made full preparations for the talks, and their concrete proposals had much in common. Both sides suggested that in economic cooperation, they may jointly open up iron mines and collieries. In the exchange of raw materials, both sides held that they may supply each other's needs in iron ore, coal, rolled steel, textile products, pollack, and corn. The two sides shared the same views with regard to shipping and reopening railway traffic between the North and South. Naturally, there were also differences in their concrete proposals. But as emphasized by the representative of the North, these differences could be properly resolved in future talks long as both sides adhere to the guiding principles of guaranteeing unified development of the national economy and the common interests of both sides, of "respecting the will of each other" and of "promoting mutual benefits."

Sitting down to negotiate is certainly better than not negotiating at all. There is every reason to believe that the two sides could make progress not only in economic talks but also in their Red Cross and sports talks as long as they are sincere in promoting mutual understanding and unity and refrain from doing anything that might heighten distrust and tension. These achievements and developments are precisely what the Korean people have hoped to score in clearing up the misunderstanding created by the division of the nation and in creating a new situation for peaceful reunification. They would greatly help ease the tension in the Korean peninsula and promote world peace.

PRC UN AMBASSADOR LAMBASTS SRV ACTIONS

OW171252 Beijing XINHUA in English 1212 GMT 17 Nov 84

["Chinese Ambassador Exposes Vietnam's Tricks on Kampuchea Problem" -- XINHUA headline]

[Text] United Nations, November 16 (XINHUA) -- Chinese Ambassador Liang Yufang here today condemned the Vietnamese authorities for continuing to "distort in every possible way the truth about the root cause of tensions in Southeast Asia."

Ambassador Liang, who is the deputy permanent representative of China to the United Nations, was speaking at a meeting of the UN General Assembly which debated the Vietnam-proposed item entitled "question of peace, stability and cooperation in Southeast Asia."

Liang Yufan expounded the tricks played by Vietnam on the question of Kampuchea. By taking advantage of the item, he noted, the Vietnamese authorities "dress themselves up as champions of peace in the region, in an attempt to hoodwink world opinion and cover up their acts of aggression in Kampuchea."

The Chinese ambassador said that Southeast Asia needed genuine peace, stability and cooperation, but, he then asked, "who is the saboteur of peace, stability and cooperation in Southeast Asia? Who is it that has occupied Kampuchea for years and refused to pull out even to this day? Who is it that has controlled and interfered in the internal affairs of Laos? Who is it that has incessantly encroached on the border of Thailand and instigated incidents of bloodshed? And again, who is it that has invited the naval and air forces of a superpower to Indochina, menacing the safety of the entire Western Pacific as well as sea-lanes between two oceans? Is it not clear what the Vietnamese authorities have been doing?"

Liang Yufan lashed out at the old tale of the so-called "China threat" concocted by Vietnam. He said, "For 35 years since its founding, New China has consistently pursued a foreign policy of peace. China did not have a single soldier stationed outside its territory. It enjoyed friendly relations with countries in Southeast Asia and it had no ambitious designs whatsoever on that region."

"Peace and stability in Southeast Asia conforms with the interests of the peace not only of that region, but also of China. The Chinese Government, therefore, has consistently supported the proposition initiated by the ASEAN countries for the establishment of a peaceful, free and neutral zone in Southeast Asia and supported the just stand of Southeast Asian countries for safeguarding national independence and state sovereignty," he stated.

As for the tension along the Sino-Vietnamese border, Ambassador Liang said, it was the sole making of the Vietnamese authorities. "If only Vietnam ceases its military provocations against China, tranquillity will be promptly restored along the border."

Vietnam, he said, "has taken pains to create tension along the Sino-Vietnamese border, making a big issue out of it in an attempt not only to divert attention from its invasion of Kampuchea, but also to disrupt the unity of those countries that support the resistance forces in Kampuchea and in particular, sow discord between China and Southeast Asian countries. Its schemes will certainly fall through and no one will be taken in by them".

Liang Yufan exposed Vietnam's attempt to use the statement of the so-called 8th Indochinese foreign ministers meeting as the basis for "dialogues" between the Indochinese countries and the ASEAN countries. "To put it bluntly, their sole objective is to divert the Kampuchean question from the correct course charted by the relevant General Assembly resolutions and the Declaration of the International Conference on Kampuchea, legitimize their occupation of that country and impose the puppet regime propped up by them on the international community." Liang Yufan said.

If only the Vietnamese authorities abandon their policies of aggression and expansion, withdraw their aggressor troops from Kampuchea and agree to settle the Kampuchean question in compliance with the resolutions of the UN General Assembly, the situation in Southeast Asia will be relaxed, peace and stability in the region restored and the fundamental obstacles to the inter-state cooperation in the region eliminated.

At the meeting, representatives from ASEAN countries and Democratic Kampuchea spoke of the imperative need of the withdrawal of all Vietnamese troops from Kampuchea for the restoration of peace, stability and cooperation in Southeast Asia.

Thai representative Piraphong Kasemsi said, "Once the independence, sovereignty and territorial integrity of Kampuchea is restored, the climate in the region will become conducive to further efforts to secure durable peace, stability and cooperation in the region," he said.

Kishore Mahbubani [as received] of Singapore said that "until Vietnam agrees to withdraw from Kampuchea, there can be no real progress towards peace and stability in the region," he stressed.

Malaysian representative Zain Azraal noted that the overwhelming majority of the member states of the United Nations believed that the Vietnamese aggression and its continuing occupation of Kampuchea must first of all be stopped before talking about the problems of peace, stability and cooperation in Southeast Asia. The differences between the ASEAN countries and Laos and Vietnam were not whether to talk but what to talk about, he stressed.

Siv Sichan [as received] of Democratic Kampuchea said that during the debate on the situation in Kampuchea two weeks ago, many countries pointed out that the only party responsible for the dangerous situation in Southeast Asia was Vietnam. He felt it was a waste of time for the Assembly to debate an issue which had already been discussed and on which a resolution had been adopted by a striking majority. If Vietnam was so concerned with the question of peace, stability and co-operation in Southeast Asia, all it had to do was to stop ignoring the Assembly's repeated calls for the withdrawal of its Armed Forces from Kampuchea, he declared.

USSR'S DOLGIKH VISITS SRV; NHAN DAN ASSAILS PRC

OW180843 Beijing XINHUA in English 0739 GMT 18 Nov 84

[Text] Hanoi, November 17 (XINHUA) -- Vietnamese Communist Party General Secretary Le Duan has called for closer cooperation between Moscow and Hanoi and hoped the Soviet Union would help Vietnam overcome its difficulties during the transition period.

Le Duan made the remarks in Ho Chi Minh City on November 15 when he met V. Dolgikh, alternate Politburo member of the Soviet Communist Party Central Committee who was on a visit to Vietnam as head of a Supreme Soviet delegation.

Le Duan told Dolgikh that such bilateral cooperation is the "guarantee" for Vietnam's socialist construction and security. He hoped this cooperation would further develop on the basis of the 1978 Vietnamese-Soviet Treaty of Friendship and Cooperation.

Dolgikh said Moscow "fully supports" Vietnam's domestic and foreign policies and pledged Soviet efforts to carry out "internationalism" towards Vietnam.

During the stay of the Soviet delegation, the Vietnamese Communist Party newspaper NHAN DAN carried a series of articles attacking China for "sabotaging" the Vietnamese economy and "intruding" into the Vietnamese territory.

The Soviet delegation will proceed to Vientiane and Phnom Penh after its Vietnam visit.

XINHUA COMMENTS ON KAMPUCHEAN BATTLEFIELD STATUS

OW180926 Beijing XINHUA Domestic Service in Chinese 1211 GMT 14 Nov 84

[XINHUA Reporter Cai Ximei's Commentary "Kampuchean Patriotic Force Holds Its Ground in Flatlands" -- XINHUA headline]

[Excerpts] Beijing, 14 Nov (XINHUA) -- The sixth rainy season (May to October this year) on the Kampuchean battlefield is over. The basic feature of this year's rainy season battlefield is: After a series of victories in the inland plains in the last dry season, the Kampuchean Patriotic Armed Forces continued their intense fight with invading Vietnamese troops in that area. They not only have smashed the Vietnamese attempt to stop and eliminate the anti-Vietnamese forces in the plains, but have held their ground there. This plains area is located around Tonle Sap Lake, and includes Kompong Speu and Kampot Provinces west of Phnom Penh.

After having gone through dry season and rainy season trials, the Kampuchean Patriotic Armed Forces have held their ground. At present, the Kampuchean Patriotic Army and people have not only a battlefield in the northwestern and southwestern mountainous areas fighting against the Vietnamese, but also have opened a new battlefield in the plains area around Tonle Sap Lake. The two battlefields, by depending on and supporting each other, are apt to play an important role in Kampuchea's future war situation.

CHEN MUHUA MEETS SRI LANKAN TRADE DELEGATION

OW162003 Beijing XINHUA in English 1440 GMT 16 Nov 84

[Text] Beijing, November 16 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, met here today with a governmental trade and shipping delegation from Sri Lanka led by Mahendra Wijeratne, deputy minister of trade and shipping department.

Wijeratne said that bilateral trade relations was stable and friendly in the past 32 years, and that Sri Lanka was interested in importing oil and cotton from China.

Chen Muhua said both sides could probe into possibilities for the new bilateral barter trade. The two countries' shipping business would develop along with the increase in their volume of trade and amounts of goods exchanged, she added.

PRC, Sri Lanka Discuss Shipping

OW160831 Beijing XINHUA in English 0753 GMT 16 Nov 84

[Text] Beijing, November 16 (XINHUA) -- Chinese and Sri Lanka shipping departments discussed in the past few days here the possibilities of extending their joint shipping service to Europe.

The discussions were summed up in the minutes of the 12th Joint Committee meeting of the Sino-Sri Lanka Joint Shipping Service. The minutes were signed here this morning.

During the discussions, Sri Lanka officials representing the Ceylon Shipping Corporation (CSC) stated the possibility of offering CSC South Asia-Europe container vessels on a feeder basis via Colombo for the carriage of Europe/China Cargo. The two sides agreed to work in close cooperation and continue to discuss the matter. The Sri Lanka side affirmed that services offered by the Colombo Dockyard Ltd would be available for vessels of the China Ocean Shipping Company (COSCO). COSCO representatives expressed their interest in the offer and said COSCO vessels might need repairing or dry-docking at the Colombo dockyard.

Also signed today were minutes of the first meeting of the China-Sri Lanka Joint Trade Committee. The two sides agreed to work for more exchanges of information regarding commodities, more trade fairs and exhibitions and business visits by trade officials between the two countries with a view to exploring new channels of trade cooperation.

The signing ceremony was witnessed by Chinese Minister of Communications Qian Yongchang, Vice-Minister of Foreign Economic Relations and Trade Lu Xuejian and visiting Sri Lanka Deputy Minister of Trade and Shipping Mahendra Wijeratne.

Wijeratne and his party arrived here November 13 for discussions with Chinese shipping and foreign trade officials. They are scheduled to leave for Guangzhou, south China, tomorrow.

LI XIANNIAN CONTINUES EUROPEAN TOUR IN PORTUGAL

Meeting With Chinese in Spain

OW180953 Beijing XINHUA Domestic Service in Chinese 0254 GMT 16 Nov 84

[Text] Madrid, 15 Nov (XINHUA) -- President Li Xiannian today received at the Chinese Embassy in Spain, representatives of Overseas Chinese in Spain and through them conveyed cordial greetings to more than 4,000 Overseas Chinese now living in Spain.

When President Li Xiannian entered the hall of the embassy, more than 80 Overseas Chinese representatives greeted the leader of the motherland with warm applause. President Li repeatedly waved his hand to greet them and said: "How are you? Please give my regards to your families!"

After being photographed with the Overseas Chinese representatives, President Li and his wife Lin Jiamei had a cordial talk with the representatives. He said: "I will say only two things. First, I hope you dearly love your own motherland; second, you must abide by the laws of the country of your residence."

Xiao Jiluan, an Overseas Chinese and president of the Chinese Association in Spain, presented President Li a sailboat-shaped plexiglass table lamp as a souvenir on behalf of the association. President Xiao said emotionally: "We hope for a smooth sailing of the motherland's four modernizations. Good health to President Li!" When President Li learned that President Xiao is a Chinese of Shandong from Taiwan, he kindly held his hands and said: "The present situation in Shandong is not bad."

Sends Thanks to King Carlos

OW161356 Beijing XINHUA in English 1342 GMT 16 Nov 84

[Text] Lisbon, November 16 (XINHUA) -- Chinese President Li Xiannian and his wife Lin Jiamei today sent a message to King of Spain Juan Carlos I and Queen Sofia, expressing their sincere thanks for the gracious hospitality they had received during their stay in Spain. The message was sent when the president and his wife were on their way to Lisbon, the second leg of their three-nation south European tour, at the end of their five-day visit to Spain.

In the message, the president and his wife said, "We are satisfied with the unforgettable visit, and we are deeply convinced that the friendship and cooperation between the Chinese and Spanish peoples will be developed further."

Before President Li boarded his special plane in Madrid this morning, the king said to him that "your visit is a warm, fruitful, friendly and successful visit, a successful visit in every sense, with which both of us are satisfied." Li replied, "We are reluctant to leave your hospitable country, and we hope to see you in Beijing again."

Spain's Moran on Visit

OW171858 Beijing XINHUA in English 1839 GMT 17 Nov 84

[Text] Madrid, November 17 (XINHUA) -- Foreign Minister Fernando Moran said Friday that Chinese President Li Xiannian's Spain visit had given impetus to bilateral economic and technological cooperation. After seeing off the Chinese president at the airport, he told reporters that Li's visit to Spain had yielded "very positive and important" results.

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He said that Spain would likely invest in China's petro-chemical, electronic and telecommunication industries and transport and that a package plan for this purpose was now in the making. He noted that China had refrained from giving any opinion on the issue of Gibraltar, for it considered it an issue between Spain and Britain. He expressed appreciation of the Sino-British Joint Declaration on Hong Kong.

Li Arrives in Lisbon

OW161124 Beijing XINHUA in English 1114 GMT 16 Nov 84

[Text] Lisbon, November 16 (XINHUA) -- Chinese President Li Xiannian, accompanied by his wife Lin Jiamei, arrived here this morning for a three-day state visit to Portugal at the invitation of Portuguese President Antonio dos Santos Ramalho Eanes.

Portugal is the second leg of President Li's first south European trip, which is aimed at promoting mutual understanding and economic relations between China and European countries, easing world tension and preserving world peace. During his visit here, Li is expected to have meetings with President Eanes and Prime Minister Mario Soares.

Li flew in here from Spain where he had paid a four-day state visit, the first ever made by a Chinese head of state.

Portuguese Leaders Greet Li

OW161702 Beijing XINHUA in English 1637 GMT 16 Nov 84

[Text] Lisbon, November 16 (XINHUA) -- Chinese President Li Xiannian arrived here from Madrid this morning to begin a four-day state visit to Portugal at the invitation of Portuguese President General Ramalho Eanes. President Li's visit to Portugal, the second leg of his south European tour, is the first ever paid to this country by a Chinese leader.

In a written statement issued at the airport, Li said, "I have come here for the purpose of seeking peace and friendship, promoting mutual understanding and cooperation." To strengthen Sino-Portuguese relations and cooperation conforms to the fundamental interests and common desire of the two peoples and also benefits world peace and stability, Li said. "I hope my visit will help push Sino-Portuguese relations and cooperation forward," he said.

President Eanes met Li at the airport and accompanied him to the plaza of the monastery of Jeronimos for a welcoming ceremony which included a 21-gun salute.

Li was greeted at the plaza by Portuguese Prime Minister Mario Soares, foreign minister Jaime Gama, Mayor of Lisbon Nuno Abecassis and many Lisbon residents who came to watch the proceedings despite the rain. After the ceremony, Li laid a wreath at the tomb of the 16th century epic poet Luis de Camoes.

Wu Xueqian, state councillor and foreign minister, and other members of President Li's party as well as Chinese Ambassador to Spain [as received] Lu Jixin were also present at the welcoming ceremony.

Li Meets President Eanes

OW170645 Beijing XINHUA in English 0635 GMT 17 Nov 84

[Text] Lisbon, November 16 (XINHUA) -- Chinese President Li Xiannian, on his first state visit to Portugal, this afternoon called on Portuguese President Antonio Eanes at the presidential residence and exchanged views with him on international issues of common concern. During the meeting, the two leaders also briefed each other on the internal situations of their respective countries.

Referring to the international situation, President Li, at the request of Eanes, briefed him on the situation in Indochina and China's position on the settlement of the problems in that region. Eanes gave a brief account of Portugal's policies toward Africa and other regions in the world.

Having heard Li's briefing on China's achievements in its economic development and restructuring, Eanes spoke highly of China's influence and role in the world and said Portugal is following with great interest the achievements in China's economic development. Eanes also congratulated China on the Sino-British joint declaration on the question of Hong Kong.

Attends Banquet

OW170650 Beijing XINHUA in English 0638 GMT 17 Nov 84

[Text] Lisbon, November 16 (XINHUA) -- Portuguese President Antonio Ramalho Eanes hosted a state banquet here this evening in honor of visiting Chinese President Li Xiannian. President Li's wife Lin Jiamai, Chinese state councillor and foreign minister Wu Xueqian and other members of Li's entourage attended the banquet.

Present at the banquet were also President Eanes' wife, Portuguese Prime Minister Mario Soares, Deputy Prime Minister and Defense Minister Da Mota Pinto and Foreign Minister Jaime Gama.

Speaking at the banquet, President Eanes said, "The first visit to our country by the president of the People's Republic of China represents the most significant moment in the harmonious relations between the peoples of the two countries and also provides a valuable chance for us to promote dialogue and cooperation between our two countries." He said, "We are following with great interest the efforts China has made in supporting the development of Third World countries and its contribution to the process of South-North dialogue."

President Li, in his speech, recalled the development of Sino-Portuguese relations in various fields since the establishment of relations between the two countries in 1979. He said, "Both our countries face the task of developing economy and improving people's livelihood and need peace. To develop Sino-Portuguese relations and strengthen cooperation to our mutual benefit conform to the common interests and desires of our two peoples and are also conducive to the maintenance of world peace and stability."

He said the rivalry between the two superpowers for world hegemony and their nuclear arms race have brought about international tension and turbulence and posed grave threats to world peace and the security of the people of all countries. In order to safeguard world peace and ease international tension, all countries, above all the two superpowers, must strictly observe the Five Principles of Peaceful Coexistence, Li said.

Talks on World Situation

OW162319 Beijing XINHUA in English 2301 GMT 16 Nov 84

[Text] Lisbon, November 16 (XINHUA) -- Visiting Chinese President Li Xiannian said here this evening that China is ready to cooperate with Portugal and all other peace-loving and justice-upholding countries in making persistent efforts to safeguard world peace and ease the international tension.

Speaking at the state banquet given in his honor by Portuguese President Antonio Ramalho Eanes at the Ajuda Palace, Li said, the rivalry between the two superpowers for world hegemony and their nuclear arms race "have brought about international tension and turbulence and posed grave threats to world peace and the security of the people of all countries."

Stressing the importance of the Five Principles of Peaceful Coexistence, he said, "in order to safeguard world peace and ease the international tension, it is vital to urge all countries, above all the superpowers, to strictly observe" these principles.

Li, on his first state visit to Portugal, noted that the inequitable and irrational international economic order has aggravated the economic burdens of the developing countries and widened the gap between the North and the South. Peace and development are two major issues of universal concern, he said, adding that "development is possible only in a peaceful environment, and only collateral development of all countries based on mutually beneficial cooperation will help promote world peace and stability."

Referring to China's foreign policy, Li said China always holds that "all issues left over from history and disputes between nations should be settled through peaceful negotiations and consultations on an equal footing without resorting to the use or threat of force."

As a member of the Third World, Li said, "China firmly supports the other Third World countries in their just cause of safeguarding national independence and developing the national economy."

On the North-South relations, he said, China is "for restructuring the existing irrational international economic order and improving the North-South relations", and is "actively promoting South-South cooperation" under the guidance of the principles of "equality and mutual benefit, stress on practical results, diversity in form and attainment of common progress."

The Chinese president arrived here from Madrid this morning for a four-day state visit at the invitation of the Portuguese president.

Calls for Sino-Portuguese Ties

OW162344 Beijing XINHUA in English 2326 GMT 16 Nov 84

[Text] Lisbon, November 16 (XINHUA) -- Visiting Chinese President Li Xiannian said here this evening that China is ready to work together with Portugal to further advance the friendly relations and cooperation between the two countries.

In a toast at the state banquet hosted in his honor by Portuguese President Antonio Ramalho Eanes at the Ajuda Palace, Li said, "to develop Sino-Portuguese relations and strengthen cooperation to our mutual benefit conform to the common interests and desires of our two people and are also conducive to the maintenance of world peace and stability." Recalling the development of bilateral relations in the past five years since the two countries established diplomatic relations in 1979, Li noted, "there exist potentials in the development of economic and technological cooperation between China and Portugal." He said, "it can be expected that with our joint efforts to continue exploring new forms and channels of cooperation, the economic and technological cooperation between China and Portugal will be raised to a higher level for our two peoples."

Referring to the role of Portugal in the world affairs, the Chinese president praised the host country for its endeavors "to develop friendly relations and cooperation with other countries, actively promote North-South dialogue and develop economic relations and trade with African and other Third World countries on the basis of equality and mutual benefit."

NORWEGIAN PRIME MINISTER ARRIVES IN BEIJING

OW170640 Beijing XINHUA in English 0631 GMT 17 Nov 84

[Text] Beijing, November 17 (XINHUA) -- Norwegian Prime Minister Kaare Willoch and his wife Anne-Marie Willoch flew in here at noon today on a week-long official visit to China at the invitation of Premier Zhao Ziyang. The Norwegian visitors were greeted at the airport by Tang Ke, chairman of the Reception Committee of the Chinese Government and minister of the petroleum industry, and his wife Cao Weili, Vice-Minister of Foreign Affairs Zhou Nan, Chinese Ambassador to Norway Zhang Yongkuan and Norwegian Ambassador to China Arne Arnesen.

It is learned that an official welcoming ceremony will be held tomorrow in honor of Prime Minister Willoch. While in the Chinese capital, Willoch will discuss with Chinese leaders bilateral relations, with particular emphasis on ways to boost economic and technical cooperation between the two countries, and a wide range of international issues of mutual interest. The Norwegian prime minister is also scheduled to tour Shanghai and the Shenzhen Special Economic Zone in Guangdong Province, south China.

Welcomed by Zhao Ziyang

OW180941 Beijing XINHUA in English 0910 GMT 18 Nov 84

[Text] Beijing, November 18 (XINHUA) -- Kaare Willoch, prime minister of the Kingdom of Norway, and Mrs. Willoch were honored at a grand welcoming ceremony here this afternoon at the Palace of the Great Hall of the People. The ceremony was presided over by Chinese Premier Zhao Ziyang, who had visited Norway in June this year.

At four p.m. when Prime Minister Willoch and Mrs. Willoch arrived at the plaza in the company of Tang Ke, chairman of the Reception Committee and minister of petroleum industry, and his wife, Premier Zhao came forward to greet the distinguished guests. The ceremony begun with a 19-gun salute. A military band played the national anthems of Norway and China. Accompanied by Premier Zhao, Prime Minister Willoch reviewed an honor guard made up of men of the three services of the Chinese People's Liberation Army and met 300 youngsters who gave him a rousing welcome. Later, Premier Zhao and Willoch had a friendly conversation in the Great Hall of the People.

Among those attending the ceremony were State Councillor Kang Shien, Qian Yongchang, minister of communications, and principal members of Prime Minister Willoch's party.

CPPCC RESOLUTION ON STUDYING REFORM DOCUMENT

OW161247 Beijing XINHUA Domestic Service in Chinese 1710 GMT 15 Nov 84

[Text] Beijing, 15 Nov (XINHUA) -- Resolution of the Standing Committee of the Sixth CPPCC National Committee adopted by the seventh meeting of Standing Committee of the Sixth CPPCC National Committee on 15 November 1984, on seriously studying and implementing the "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure":

The "Decision on Reform of the Economic Structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee is a very important document of far-reaching historical significance. The "decision" integrates the basic theories of Marxism with China's realities, creatively maps out a blueprint for the overall reform of China's economic structure, and clearly points out the orientation for building socialism with Chinese characteristics. History will prove that the plenary session will play a great historical role and become an important milestone in the history of China's socialist construction.

The Standing Committee of the Sixth CPPCC National Committee unanimously supports the "decision" passed by the 3d Plenary Session of the 12th CPC Central Committee. Since the "decision" was published, CPPCC committee members and personalities of various circles have shown a very high degree of awareness and enthusiasm for studying it. In order to further study the "decision" well; enhance our understanding; arm our minds with theories and policies of reform; unite closer around the Communist Party of China; take an active part in the current great and profound reform; and bring into play the positive role of the people's political consultative conference, democratic parties, mass organizations, and nonparty democrats in the four modernizations, the seventh meeting of the Standing Committee of the Sixth CPPCC National Committee hereby makes the following decision:

1. For a period hence, CPPCC committees at all levels should deem it an important task to study the "decision" well. We should concentrate on seriously reading and discussing the document, and comprehensively and profoundly understand the spirit and contents of the document. In the course of study, we should unite our understanding concerning this document of the 3d Plenary Session of the 12th CPC Central Committee.

2. In the course of studying the document of the 3d Plenary Session of the 12th CPC Central Committee, we should adhere to the principle of integrating theory with practice, and strive to create a new situation in the work of the people's political consultative conference in the spirit of reform. After studying the document well, we should take further steps to combine study efforts with efforts to create a new situation in the work of the people's political consultative conference in various fields. We should step up investigation and study in order to understand the new situation and study new problems. We should take full advantage of the strong points of the people's political consultative conference, make suggestions, and actively support and promote national economic structural reform.

In the course of studying the "decision," we should further display democracy, encourage free airing of views, and seriously solicit comments and suggestions from various quarters. We should in good time relay the comments, demands, criticism, and suggestions of various quarters to the government departments concerned in order to help facilitate the progress of reform.

3. After studying well the document of the 3d Plenary Session of the 12th CPC Central Committee, we should also study the reform measures put forward by Premier Zhao Ziyang in his "Government Work Report" to the Second Session of the Sixth NPC.

At the same time, we should also study Chairman Deng Yingchao's speech at the Second Session of the Sixth CPPCC National Committee, enhance our understanding of united front work theories and policies, and restore and carry forward the fine traditions of the people's political consultative conference.

The meeting urges CPPCC committees at all levels to bring into full play the initiative, enthusiasm, and creativeness of all CPPCC committee members, members of democratic parties and mass organizations, and nonparty democrats. It urges CPPCC committees at all levels to take the lead in reform, have the courage to explore in the course of practice, be good in thinking, work hard, and strive to contribute to the smooth progress of reform.

Hong Kong Accord Endorsement

OW161025 Beijing XINHUA Domestic Service in Chinese 1509 GMT 15 Nov 84

[Text] Beijing, 15 Nov (XINHUA) -- Resolution of the Standing Committee of the Sixth CPPCC National Committee on endorsing the joint declaration initialed by the Chinese and British Governments on the question of Hong Kong (adopted by the Seventh Session of the Standing Committee of the Sixth CPPCC National Committee on 15 November 1984):

The joint declaration initialed by the Chinese and British Governments on the Hong Kong question has been enthusiastically discussed at the Seventh Session of the Standing Committee of the Sixth CPPCC National Committee.

The participants in the session are convinced that the joint declaration affirms the recovery of Hong Kong and the resumption of the exercise of sovereignty over it by China on 1 July 1997, reflects our country's basic principles and policy toward Hong Kong, and provides various arrangements for maintaining Hong Kong's stability and prosperity. Thus, the Hong Kong question, which was left over from history, has been solved in a satisfactory way. This is a great event in the modern history of China and the world.

The participants in the session are convinced that the satisfactory solution of the Hong Kong question will erase the national humiliation suffered by the Chinese people for more than 100 years and return the territory to the embrace of the motherland. It is a big step forward in bringing about the reunification of the motherland.

The participants in the session fully endorse our government's decision on enforcing a series of special policies, different from those on the Chinese Mainland, after the recovery of Hong Kong, including the establishment of the Hong Kong Special Administrative Region directly under the authority of the Central People's Government in accordance with the provisions of Article 31 of the PRC Constitution, the granting of a high degree of autonomy in Hong Kong Special Administrative Region; the governing of Hong Kong by local inhabitants; the continuation of the current social and economic system as well as life-style in Hong Kong; the basic continuation of the laws currently in force in Hong Kong; the retention of its status as a free port and international financial and trade center; and the due regard given to the economic interests of the UK and other countries.

The participants in the session are convinced that the special policies have taken the historical background of and actual situation in Hong Kong into consideration, are reasonable and in line with the spirit of seeking truth from facts, will ensure that Hong Kong will maintain its prosperity and stability after 1997, and are conducive to the building of socialist modernization of the motherland.

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Therefore, the policies are completely in accord with the basic interests of all Chinese people, the compatriots of Hong Kong included.

The participants in the session are convinced that our government's satisfactory solution of the Hong Kong's question on the basis of the principle of "one country, two systems" is conducive to the early realization of the reunification of the motherland and provides a new experience in peacefully solving international issues. It has a great bearing on maintaining peace and security in the world.

The participants in the session are convinced that the agreement reached between China and the UK through peaceful negotiations on the Hong Kong question has not only eliminated the obstacle on the road to developing relations between the two countries but also opened better prospects for friendship and cooperation between the two countries.

Accordingly, all Standing Committee members attending the session express their total endorsement of the joint declaration initialed by the Chinese and British Governments on the Hong Kong question and hope that the two countries will further promote their close cooperation and ensure the successful implementation of the joint declaration.

NPC STANDING COMMITTEE DISCUSSION CONTINUES

OW181157 Beijing XINHUA Domestic Service in Chinese 1429 GMT 17 Nov 84

[Excerpts] Beijing, 17 Nov (XINHUA) -- The NPC Standing Committee continued a discussion meeting of its members in the Great Hall of the People yesterday and today. The participants discussed and studied "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure."

Chairman Peng Zhen attended the meeting on both days. He also addressed today's session. Vice Chairman Peng Zhong presided over the meeting on both days. Responsible persons of the People's Congress standing committees of various provinces, autonomous regions, and municipalities attended the meeting.

Those who spoke at the meeting yesterday and today included Ouyang Yi, Hou Xueyu, Song Shaowen, Liu Da, and Xue Muqiao, members of the NPC Standing Committee; Xin Chuanhou, vice chairman of the Sichuan Provincial People's Congress Standing Committee; Shi Chuan, vice chairman of the Hubei Provincial People's Congress Standing Committee; and Xue Yan, vice chairman of the Guangdong Provincial People's Congress Standing Committee. Vice Chairman Seypidin Aizezi expressed his views in writing.

Many comrades held: The decision is a product integrating the basic principles of Marxism with the realities of China's socialist construction. In order to have a profound understanding of the decision and implement it, we should study hard Marxist theories and seriously conduct investigations and studies; neither of the two actions is dispensable. Moreover, the principles and policies put forward in the decision are universally applicable to all parts of our country. However, all localities, departments, and organizations must implement the decision in a creative way in consideration of their realities with regard to local conditions, opportunities, human resources, and special cases.

The comrades said: The CPC Central Committee reiterates in the decision that only socialism can save China. This is a very important word, a summing-up of China's historical experience gained in the past 100 years and more. The decision affirms the fact that China has established a socialist system and wiped out the system of exploitation.

The decision defines that our economic structure reform is made on the premise of adherence to the socialist system, and that the objective of the reform is to eliminate the defects of the economic structure that obstruct the development of the productive forces, to reform the structure that cannot meet the needs of the growing productive forces, to build a socialist economic structure with Chinese characteristics that is full of vigor and vitality in order to promote the growth of the productive forces, and to bring into further play the superiority of socialism. As long as we adhere to this orientation, our reform of the economic structure will proceed on the right path and succeed, and we will be able to ensure a smooth progress of the socialist modernization.

The comrades regarded the present discussion and study as preliminary. They considered it necessary to take further steps to study in light of realities henceforth.

ZHAO ZIYANG INSPECTS MILL IN BEIJING 14 NOV

OW162144 Beijing XINHUA Domestic Service in Chinese 1642 GMT 15 Nov 84

[Text] Beijing, 15 Nov (XINHUA) -- Premier Zhao Ziyang expressed important views on 14 November with regard to enterprise reform when he inspected the Beijing Printing and Dyeing Mill. He pointed out: The series of policies and measures laid down by the central authorities on economic structure reform have already provided the necessary conditions for invigorating enterprises. The key lies in the selection of talented people in order to implement these policies and measures. As long as they handle their own affairs and bring into full play their own superiority, the large enterprises will be able to tap their potential and constantly invigorate themselves.

The Beijing Printing and Dyeing Mill is one of China's large printing and dyeing mills. It has more than 3,000 workers and staff members with an annual capacity of processing 100 million meters of cloth. In recent years, its products have been moving very slowly due to fluctuating prices and keen competition in the market. The mill fell into dire straits in production and management. The amount of profits turned over to the state and taxes paid during the first quarter this year is only one-third of those in the same period last year. Orders placed for the second half of 1984 are less than half of the production capability. The mill would have had no way out if it failed to carry out reforms. With the support and assistance of the higher authorities, this mill has boldly put to use people with a pioneering spirit to radically reform the mill, improve management, and develop spirit to radically reform the mill, improve management, and develop new products. Within a short period of a few months, profound changes have taken place in the whole mill. Production has been increased, consumption of raw materials lowered, and production costs reduced. In late September, the mill has already fulfilled its 1984 state quota for profit and tax payment.

Accompanied by Song Ping, Lu Dong, Ma Hong, Wu Wenying, An Zhiwen, and Chen Xitong, Premier Zhao Ziyang inspected the main workshop of the mill and watched a fashion show by members of the mill's spare-time modeling team, who wore clothes made of materials designed and produced by the mill. Premier Zhao also heard a briefing made by mill director Xu Xiaochun.

An Enterprise Must Be Market-Oriented and Display a Pioneering Spirit

Zhao Ziyang said: The Beijing Printing and Dyeing Mill is a large factory. It is also in the textile business, which is faced with more problems at present. However, it is able to bring about such tremendous changes for the better within such a short period. Its experience is quite valuable. Its changes reflect an important step in becoming a market-oriented and pioneering enterprise. The mill has improved its management and rapidly changed its old backward mode of management into a modern one.

At the same time, it has vigorously developed new products, increased production variety, and turned out more high-quality and low-cost products to attract more clients and orders and satisfy societal needs. These are problems faced by all enterprises, particularly the large ones. We must solve these problems as soon as possible. Otherwise, they will fail to keep pace with the new situation and will lag behind.

In Carrying Out Reforms Well, the Key Lies in the Selection and Promotion of Talented People.

The Beijing Printing and Dyeing Mill is able to rapidly make a breakthrough. All this is inseparable from its boldness in selecting and putting to good use talented people. This mill has instituted a system whereby the director assumes full responsibility in handling all the mill's affairs. It has also "formed cabinets at each level" and assigned to various posts a large number of talented people with rich professional knowledge, creativity, and the spirit to carry out reforms. After these useful people are selected, the mill director has prevailed over all dissenting views, combatted outmoded concepts, assigned the useful people to key positions and let them boldly carry out their work. He has also shown concern over their well-being so that they are able to devote themselves to their work and put their talents to the best use. The mill has appointed 2 deputy mill directors, readjusted the middle-level cadres 4 times, and assigned new cadres to work in 5 main workshops and 10 principal offices and departments. Cadres, old and new, working either at higher or at lower levels, are united as one and filled with vigor. They have continuously turned out new products and constantly raised their efficiency.

Zhao Ziyang spoke highly of this mill's experience in selecting and promoting talented people in the course of making reforms. He stressed the importance of and pressing need in hiring talented people. He pointed out: In order to help an enterprise become a market-oriented and pioneering enterprise and implement various measures of reform on a solid basis, the key lies in using talented people. It is necessary to select and appoint not only several talented people but also a large number of such people. The Beijing Printing and Dyeing Mill refers to that as "leadership by a group of experts." It has appointed to important posts those people who are able to keep pace with change and put their talents and wisdom to the best use. This mill is able to activate that goal rapidly. It has the following experiences:

1. It is essential to select a good director who is able to keep pace with the new situation.
2. It is necessary to let the director assume full responsibility for hiring talented people. In that way, a contingent of new cadres with modern management expertise can be organized. They are able to lay a reliable foundation for bringing about changes in the enterprises. Zhao Ziyang also wrote an inscription for the mill, pointing out: "Selecting talented people is the key to carrying out reform and invigorating enterprises."

Enterprises Have Bright Prospects in Implementing the Reform Policies Laid Down by the Central Authorities and the State Council.

Zhao Ziyang pointed out: Now we should clarify one concept: The guidelines, policies and measures on reform laid down by the central authorities and the State Council have already provided the necessary conditions for invigorating enterprises, although the reform of the whole industry is still being carried out comprehensively. Acting on the basis of these policies and measures, the enterprises have bright prospects for tapping their potentials and raising their efficiency. They are certainly not helpless.

As long as they earnestly implement policies and measures, enterprises will be filled with vigor. In the same trade, some factories have implemented them with great vigor, demonstrating the gigantic power of the policies, while some other factories have experienced all kinds of difficulties, seen no improvements, looked for outside help, and hoped that the state would give them more privileges, refund some tax payments, and let them have more authority in handling their own affairs. Now is the time for the enterprises to take care of their own needs. They must keep in mind their own workshops, their own workers, and their own products; and try to find the key to solving their own problems, to tapping their their own potentials, and to raising efficiency. The task before all enterprises now is to study how they can truly implement the policies and measures on reform laid down by the central authorities and the State Council. That is the main theme. The experiences of the Beijing Printing and Dyeing Mill and many other enterprises have indicated that we are certainly able to do a great many things and bring about a brand new situation in the enterprises if we truly implement the policies and measures.

Large Enterprises Must Bring Into Full Play Their Superiority Through Reform

On how to invigorate large enterprises, Zhao Ziyang said: Small enterprises have been invigorated, while large enterprises are actually faced with the challenge of small enterprises and those enterprises run by villages and townships. Some people hold that the current policy still fails to invigorate large enterprises. Some people even believe that small enterprises are superior to large ones. That view is far from being comprehensive and precise. Facts have already shown that many large enterprises are full of vitality. As a matter of fact, large enterprises also have their difficulties and superiorities. Small enterprises do have their advantages such as a fairly light burden, flexibility toward change because of their small size, flexible management, and promptness in keeping pace with changes on the market. However, they are also faced with many difficulties, such as lack of sound equipment and talented technical personnel and the need to buy a large amount of raw and semi-finished materials at negotiated prices. In the meantime, large enterprises are superior in those respects. They have talented people, sound equipment, advanced technology, and reliable market information. The small enterprises simply do not have these qualities. If it is all used properly, it will play a tremendous role in production. Large enterprises should not envy small enterprises and compare their own disadvantages with other enterprises' advantages. The basic issue now is that many large enterprises have failed to do a good job of using the policies and measures on reform laid down by the central authorities and the State Council to bring their own superiority into full play. Following developments in reform, we need to delegate more policy authority to large enterprises. However, the large enterprises themselves must also pay full attention to analyzing their own characteristics; bringing into full play their own superiority in personnel, equipment, technology and information; and to turning such superiority to new productive forces. In that way the large enterprises will be invigorated, their efficiency will be raised, and their capability to compete against others will be enhanced, and they will be able to play their proper role well in developing the national economy.

DISCIPLINE COMMISSION ISSUES CIRCULAR ON FRAUD

OW171453 Beijing XINHUA Domestic Service in Chinese 0850 GMT 17 Nov 84

[Text] Beijing, 17 Nov (XINHUA) -- The CPC Central Discipline Inspection Commission issued a circular on 16 November calling for "Resolution Correcting the Bad Work Style of Practicing Fraud and Seeking Only Appearance." The text of the circular is as follows:

The 11th issue of the ZHENGZHI GONGZUO TOGXUN [POLITICAL WORK NEWSLETTER] of the PLA General Political Department carried a report written by the party committee of a PLA unit stationed in a certain locality about its earnest and serious self-criticism and correction of the unhealthy tendency of practicing fraud and seeking only appearance. This PLA unit's party committee has achieved results in its efforts against the unhealthy tendency of practicing fraud and seeking only appearance by carrying out serious inspection and analysis, summing up experiences, and formulating corrective measures. In view of this, Comrade Chen Yun gave this important instruction: "It is good to pay attention to this problem. The Central Discipline Inspection Commission should also direct its attention to such problems. This document may be reprinted in the Commission's public notice." Accordingly, it is hereby transmitted. Discipline inspection departments at all levels should pay special attention to problems of this sort.

Reports from the various localities show that the phenomenon of practicing fraud, seeking only appearance, and reporting no bad news but only good is not only found in the Army: It is there in the local party and government departments as well. In some cases, it is even quite serious. Such abominable work style has done extremely serious harm to our party's cause. Since the 2nd Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has done a great deal of work to set things right and has restored the party's ideological line of seeking truth from facts. Nevertheless, the ideological style of resorting to fraud has not been seriously corrected in some departments and among some comrades. In doing their work, they do not proceed from the interests of the party and people as a whole. Instead, they proceed from the interests of a department or individual. They are not concerned even if the party and people suffer serious losses as long as the department and the individuals can be benefited. This is a manifestation of a serious case of impurity in party spirit. Party committees and discipline inspection commissions at all levels must not deal with this as a common problem of work style and treat it with indifference. They must regard the correction of this bad work style of practicing fraud and seeking only appearance as a matter of importance for rectifying party style, and they must pay close attention to this work in connection with carrying out party rectification. Those who resort to fraud and fish for fame and compliments should be sternly criticized and sternly handled.

It should be pointed out that there is a close connection between the fact that the bad work style of practicing fraud and seeking only appearance is found in some localities and departments and the existence of bureaucracy among their leaders who are seriously irresponsible to the party and the people. Appearance hoodwinks bureaucracy, while bureaucracy shields appearance. For this reason, leading cadres at all levels must display the spirit of a high sense of responsibility to the party and people to persist in the fine tradition of seeking truth from facts and in the fine work style of proceeding from reality in doing everything. At present, the whole party and the people of the whole country are studying and implementing the decision adopted by the 3d Plenary Session of the 12th CPC Central Committee on economic structure reform. This makes it all the more necessary for leading cadres at all levels to keep a clear mind, resolutely oppose the bad practice of resorting to fraud and seeking only appearance, carry out in-depth and meticulous investigation and study, closely combine the party's principles and policies with the reality in various localities and departments, and carry out every task in a down-to-earth way.

Central Discipline Inspection Commission

16 November 1984

FORMER TAX BUREAU'S ILLEGAL PRACTICE PUNISHED

OW190243 Beijing XINHUA Domestic Service in Chinese 0944 GMT 17 Nov 84

[Excerpts] Beijing, 17 Nov (XINHUA) -- Recently the PRC Auditing Administration issued a circular in connection with the case of the former Luzhou City Tax Bureau, a tax law-enforcing organ which violated the law by repeatedly acting against tax policy and financial regulations and discipline by using its functions and powers to seek private gains in a well-organized and guided way. The circular urged auditing units at all levels to take resolute steps to expose acts of using power to seek private gains in violation of law and discipline and report such acts to the department concern for punitive action, in order to maintain the sanctity of financial regulations and discipline, and to safeguard the state's interests.

The Auditing Administration sent its auditors to Luzhou City to investigate and verify the case. They found that the former Luzhou City Tax Bureau (The Tax Bureau before Luzhou became a city of the prefectural level) had the following four problems:

-- It violated tax policy and financial regulations and discipline to obtain illegal "revenue." In 1983 the former Luzhou City Tax Bureau collected 367,400 yuan in trade fair taxes, of which some 123,900 yuan were collected by improperly expanding the scope of tax collection. The bureau thus obtained an extra 37,000 yuan as its share of the tax receipts. In 1981, it violated policy by retaining 20,000 yuan of tax receipts for use in building a dormitory. From 1980 to 1983 when this tax bureau acted as the collecting agent for the forestry fund, it violated regulations in order to increase the service charge rate and to collect money from those who were not required to contribute to the fund. It thus obtained an extra revenue of some 68,000 yuan. In 1980, it got an extra appropriation amounting to 26,900 yuan by colluding with the city grain bureau to make a false report to the authorities concerned. In addition, it got an extra 19,300 yuan by selling uniform invoice forms at a price higher than prescribed.

-- It illegally set aside a large amount of cash to establish "small treasuries" at various levels. From 1980 to 1983, this bureau put a total of 393,000 yuan into these "small treasuries."

-- It illegally distributed public funds under one pretext or another. From 1980 to 1983 this bureau used various pretexts to illegally distribute public funds and arbitrarily issued bonuses and allowances totaling some 140,000 yuan, apart from the bonuses distributed to regulations.

-- It sought to make private gains and relaxed efforts to collect tax and profit payments. In May 1981, this tax bureau got a gratuitous payment of 20,000 yuan from the Luzhou Natural Gas Chemical Works. In the same year, it asked the Chang Jiang Grain Plant for 12 metric tons of structural steel, free of charge. This steel was valued at some 9,300 yuan. Because of the unusual economic relationships among these and other enterprises, the tax bureau was lax in collecting tax or profit payments from them.

Last August, the Luzhou City CPC Committee and Government seriously dealt with the case of this tax bureau. Zhang Qihua, former director of the tax bureau, former secretary of the bureau's party branch, and currently deputy secretary of the party branch, was removed from his post within the party. Hu Shuxun, former deputy director of this city tax bureau, currently a member of the bureau's leading party group, and deputy chief of the first section of this bureau, was placed on probation within the party for 1 year and was removed from his post as deputy section chief.

Appropriate party or government disciplinary measures were taken for other comrades who committed mistakes. As for the illegally distributed public funds and arbitrarily issued bonuses, allowances, and other things, action was taken to have them returned or compensated for according to the principle of severity to leaders and leniency to staff and workers. Circulars in connection with this were also distributed to the whole province by the Sichuan Provincial Government and the provincial Discipline Inspection Commission respectively.

PLA UNIT SERIOUSLY CORRECTS FRAUDULENT PRACTICE

OW181335 Beijing XINHUA Domestic Service in Chinese 0909 GMT 17 Nov 84

[Text] Beijing, 17 Nov (XINHUA) -- Recently the party committee of a PLA unit stationed in a certain locality and its Standing Committee held meetings respectively to investigate and seriously analyze the unhealthy trend of practicing fraud and seeking only appearance. The meetings summed up experience, drew lessons from this matter, and laid down corrective measures.

Referring to the reforms to be carried out in PLA units, Yang Shangkun, vice chairman of the Central Military Commission, once pointed out: There is a problem that can be corrected immediately and resolutely at present, and that is to correct the bad work style of telling lies, seeking only appearances, and reporting only the good news but withholding the unpleasant information.

While investigating the matter, the PLA unit's party committee pointed out: Telling lies and seeking only appearances is a style left from the "Great Cultural Revolution" and a reflection of the remnant "left" thinking on our work. For example, sometimes there existed the phenomenon of keeping up appearances and acting perfunctorily in studying certain documents and instructions from higher authorities. While obviously the result of study was the same as others, a report was written saying that it attained "a high level." When cadres were sent down to units at the lower level, sometimes it was stressed one-sidedly that "the more sent down, the better." Consequently, some departments tried to make up the numbers, but the numbers of persons and days they reported to the higher authorities were often untrue. In doing some kinds of work, our comrades tried to make a busy appearance without producing any real effects that could stand up to tests. At some on-the-spot meetings, pictures displayed were incorrectly captioned. For example, a picture showing someone speaking at a meeting on the cadre responsibility system might bear the caption that "A certain leader calls on cadres to prepare for the examination on philosophy study." From these examples, we can still see signs of "practicing fraud, making exaggerations, and speaking empty words," which prevailed at the time of the "Great Cultural Revolution." Since the 3d Plenary Session of the 11th CPC Central Committee, our party has eliminated chaos and set right the ideological line. However, the "chaos" in our thinking and work style as reflected by fraudulent practices have as yet to be completely "eliminated."

Many comrades looked into their problems in this regard and tried to find their ideological reasons. They came to understand that the thinking and work style of practicing "fraud" are difficult to correct completely unless the influence of the "left" idea has been entirely wiped out. The education being conducted at present to totally negate the "Great Cultural Revolution," they said, should include the thorough eradication of the unhealthy tendency of practicing fraud and seeking only appearance, and a strong atmosphere should be created at all levels in the PLA unit where "seeking truth from facts is regarded as a gory, while practicing fraud is scorned as a shame."

Referring to what they actually found out recently when they went down to inspect the work, leading members of the party committee of this PLA units said:

Some units failed to grasp their work at ordinary time. Upon learning that someone from the higher level would come to inspect their work, they started to work hard all of a sudden. They cleaned their places from morning till night, trying in every conceivable way to give the higher-level leaders a "good impression." Usually they did not persist in certain kinds of registration systems. To cope with the inspection, they had several people work overtime at night to make up the registration. Some units did not work so well, but in reporting the quality of their work was "raised" to a very high level. If the leading organs comrades do not make in-depth, concrete, and meticulous investigations and studies, but merely read reports, listen to briefings, and cursorily draw conclusions, the inevitable result will be that "the practice of seeking only appearances deceives those who are bureaucratic, and bureaucracy protects the practice of seeking only appearances."

When talking about the elimination of bureaucracy, the comrades pointed out the various manifestations of bureaucracy. For example, some people more often than not refrain from seeking truth from facts when making work plans, handling questions, and evaluating jobs. Some work targets are not set on the basis of necessity and possibility, but are drawn up as result of repeatedly increasing the quotas. The units concerned are instructed to meet these work targets, even though it is evidently impossible to do so. In some units, commendations and criticisms are inaccurate. Commendations are given to those who do not report what they know, but only do something to create a good appearance. On the contrary, honest men who tell the truth are criticized. "Those who report the good news received good treatment, whereas those who report the bad news receive bad news receive bad treatment." This state of affairs has forced comrades at the lower levels to tell lies and dish up a false appearance to hoodwink higher authorities.

To solve these problems, this PLA unit's party committee, after making studies, has adopted three measures. First, when a work group of the leading organ goes to a unit at the lower level, it is not allowed to inform the unit beforehand and to disrupt the unit's normal work. The work group should not content itself by merely listening to briefings. Second, the headquarters, and the political and logistical departments should reexamine their work plans for the latter half of the year. If the work quotas are too heavy, they should be readjusted. If the standards were set too high, they should be lowered. Third, problems that have appeared in various units should be assessed correctly, and in no way should "a major issue be determined on the basis of a single minor incident." Great efforts should be made to commend and reward those units and individuals that have boldly exposed and solved contradictions so that honest people will not suffer, but will get what they deserve.

Commenting on the practical work based on what they have in mind, the comrades said: Some leading cadres lack a correct starting point in doing their work. They often give more consideration to their personal gains or losses than the construction needs of the PLA unit and the cause of the party. They do their work just to show the higher authorities, and they think that all they need to do is to keep the higher authorities satisfied. To win "good comments," some even practice fraud and try to get honor through deception. If problems occurred, they often arranged to reduce big issues to small ones and small issues to nothing. To show off the success of their work, some leaders like to hear "good news" instead of "unpleasant information" from the lower level. They are happy when hearing the "good news" and are angry when learning the "unpleasant information." This has caused units at the lower level to report only the good news and hold back all unpleasant information. "When the higher authorities like something, those at the lower level will inevitably do their utmost to cater to it. The problem of those at the lower level liking to seek only appearance is related to the fact that the leaders like to see the good appearance. At time the leaders know that it is only a false appearance, but they do nothing to prevent those at the lower level from showing such an appearance."

This indicates that it is impossible to check the unhealthy trend of practicing fraud and seeking only appearances unless the idea of pursuing personal fame and gains has been overcome. As pointed out by many comrades, we often pay great attention to the persons taking advantage of their power to seek personal gains and material benefits and to the conduct of such persons. However, we fail to pay enough attention to the fact that some people are practicing fraud and seeking only appearances -- a problem of "seeking personal gains through deception" and fishing for fame and compliments. We have always regarded this as a general problem of work style and have not dealt with it promptly and seriously.

According to this PLA unit's party committee, it is imperative to grasp the correction of the style of practicing fraud and seeking only appearance as a major task in rectifying party style and in correcting mistakes before carrying out party rectification. All leaders, including members of the Standing Committee of the party committee and those at all other levels, must take the lead to overcome the idea of seeking personal fame and gains, to carry forward the fine style of seeking truth from facts, and to speak and act honestly and be honest people.

In connection with the reforms presently carried out in this PLA unit, a number of comrades pointed out: With regard to the question of reforms, we must draw one clear line of demarcation and guard against two tendencies. That is, we must draw a clear line of demarcation between probing into the work of reform on the one hand and doing something beautiful without substance and seeking only appearances on the other hand. We must guard against the tendency of taking the new things and new measures that have emerged in the course of reform as expressions of seeking only appearances and also the tendency of viewing the things that are beautiful but without substance as products of "reform and creation." As stressed by this PLA unit's party committee at a grassroots work conference held in July, the reform of the grassroots work should be started from correcting the style of practicing fraud and seeking only appearance. It is imperative to combine the spirit of bold reform with the approach of seeking truth from facts and work in a down to earth way so as to make a success of the reform in all areas of work of this PLA unit.

PEOPLE, ENTERPRISES ENCOURAGED TO BECOME RICH

HK161242 Beijing GUANGMING RIBAO in Chinese 4 Nov 84 p 3

[Article by Ying Yiming: "The Only Way for the Entire Society To Move Toward Affluence -- On the Policy of Encouraging Some Areas, Some Enterprises, and Some People To Become Rich First"]

[Text] The "major policy" of encouraging some regions, enterprises, and individuals to become rich first through diligent work, reaffirmed in the "Decision of the CPC Central Committee on Reform of the Economic Structure" has profoundly revealed the inherent law of constant development of the entire national economy, smashed the "leftist" spiritual shackles, emancipated the productive forces, and illuminated the only way for the entire society to move toward affluence.

Practical experience since the 3d Plenary Session of the 11th CPC Central Committee has proved that this policy is successful. It has grasped the key link, made a breakthrough first in rural reform, and will eventually accelerate the pace of reforming the entire economic structure, concentrating on cities, which will be the prelude to a new leap in building socialist modernization in China.

A socialist society must guarantee its members a gradual improvement in material and cultural life and their common prosperity. This is the truth disclosed long ago by classical Marxist-Leninist authors.

Lenin said: "Socialism alone will make possible the wide expansion of social production and distribution along scientific lines and their actual subordination to the aim of easing the lives of the working people and of improving their welfare as much as possible. Socialism alone can achieve this. We know that it must achieve this. In an understanding of this truth lies the whole complexity and the whole strength of Marxism." ("Selected Works of Lenin," Vol 3, p 571) Our party has upheld this truth and carried out the policy of making the people rich because it conforms to our national conditions and to the people's will, and is the genuine road leading the country to prosperity. Under the guidance of Marxism, we must proceed from China's realities and blaze a new trail that will bring about better economic results in a relatively quick time and by which the people can get more benefits, so that people of all nationalities throughout the country can swiftly become better off. This is the task entrusted to us by history.

However, common prosperity cannot and will never mean absolute egalitarianism or that all members of society will become better off simultaneously or at the same rate. We can only encourage people to take the road of prosperity one group after another. This is because labor is still a means of life under socialist conditions and the people's remuneration must be linked with labor. Therefore, we can only implement the corresponding principle of distribution according to work. Due to the differences in the people's mental and physical labor, it is absolutely a normal phenomenon for the existence of a varying degree of alliance among the laborers. It is merely a question of early or late and of quick or slow among all members of society in taking the road to common prosperity. It is certainly not polarization which turns a handful of people into exploiters and makes the majority of people suffer from poverty. Meanwhile, China's current economic system is based on ownership by the whole people, which is a multi-level structure consisting of ownership by the collective and ownership by individuals. The nature of trades; the scale, quality and economic results of enterprises; and the production conditions of various provinces and regions differ from each other. Moreover, each province and region has relatively independent economic interests. The above reasons reflected in the form of value cannot but manifest the varying degree of affluence.

The policy of encouraging some people to become rich first profoundly reveals the inherent law of "the constant development of the entire economy" and also established the blueprint for socialist common prosperity. We are aware that all things undergo a developmental process in an orderly way and progressive manner from general to a specific and from quantitative changes to qualitative changes. A leap is a change of quality based on numerous quantitative changes which exceed a certain "extent." "One household becoming well off can arouse the enthusiasm of thousands of households, and one village heading toward prosperity can inspire thousands of villages." In recent years, the development of the rural areas has incontrovertibly proved that only by proceeding from practice and allowing and encouraging some regions, enterprises, and individuals to become better off first though diligent work can there be a strong attraction and inspiration for the majority of the people and can more and more people be promoted to take the road of prosperity one group after another.

Lenin said: "The maximum of Marxism equals the maximum of popular style." ("Collected Works of Lenin," Vol 36, p467) The policy of encouraging some regions, enterprises, and individuals to become better off first, thereby causing more and more people to take the road of prosperity one group after another, is in fact the Chinese, national, and popular style of the principle of distribution according to work. With the term of "the maximum of popular style," it has enlightened the people and has played a strongly attractive and inspirational role.

First, it has smashed the "leftist" spiritual shackles prevailing for many years in the past and has emancipated the people's minds, thus arousing the people's enthusiasm in labor and their initiative for becoming better off through diligent work.

In the past 30 years or so, why is it that we have not had enough to eat and wear although 800 million peasants have been engaged in grain production for a long time? Why is that we have not found a practical solution even though we have had some correct economic policies and proposals? Why is that we have asserted again and again that "a high tide of industrial and agricultural production will approach very soon" but have failed to attain this high tide year after year? There are many reasons for the above predicament, but the fundamental one is that we have been influenced by the "leftist" guiding ideology and vigorously gone in for "poor transition" and "throwing off the tail of capitalism." The phenomena of rushing headlong into mass action in production and practicing egalitarianism in distribution has severely constrained and dampened the initiative, enthusiasm, and creativity of the masses.

Since the 3d Plenary Session of the 11th CPC Central Committee, the focus of our party's work has been shifted into economic construction. With foresight and wisdom, Comrade Deng Xiaoping has put forward the "major policy" of allowing some regions, enterprises, and individuals to become better off first through diligent work and has unified the thinking of the whole party and nation, thus providing the key to the road toward affluence and leading the people to embark on this correct road.

Second, the policy of encouraging some people to become better off first has promoted the integration of agriculture and knowledge and of the peasants and intellectuals, which has played a decisive role in selecting talented people, training a generation of new people, and accelerating and pushing forward the modernization of agriculture, science, and technology. In his "Speech at the Graveside of Karl Marx," Engels penetratingly pointed out: "Marx discovered the law of development of human history: The simple fact, hitherto concealed by an overgrowth of ideology, that mankind must first of all eat, drink, and have shelter and clothing before he can pursue politics, science, art, religion, and so on." ("Selected Works of Marx and Engels," Vol 3, p 574) Owing to a lack of scientific knowledge and backward culture and education in the poverty-stricken rural areas in the past, intellectuals had no outlet for their abilities. The success of rural reform brought forth tremendous changes. The peasants have realized from reality that knowledge should be linked with affluence, and that knowledge has become the key factor which expands productive forces and determines competition. Scientific and technological workers are the pioneers of the productive forces and are playing an essential role in economic and social life. It would be impossible to realize agricultural modernization if the peasants fail to arm themselves with knowledge and without the participation of intellectuals and the significant contributions made by them. With the integration of knowledge and agriculture and of intellectuals and peasants, we will be able to train a new generation of peasants -- peasant enterprises or experts engaged in certain trades. In addition, more attention will be paid to intellectuals. They will be able to give full play to their wisdom and talent. With the development of the economy and the direct transformation of science and technology into productive forces, we can quickly reduce the distinction between mental and physical labor, between workers and peasants, and between urban and rural areas. Moreover, peasants can enter factories and become workers without leaving rural areas. Intellectuals will also conscientiously plunge into the agricultural front and display and improve their abilities in rural areas.

In the future, rural areas will become a vast world where the rule of funds, technology, gifted people, science, culture and education, amusement, environmental protection, and so on can be brought into full play.

Third, the policy of encouraging some people to become better off first has caused a breakthrough in reform first in rural areas, thereby promoting the smooth reform of the entire economic structure centered on cities and affecting and encouraging a leap in the entire national economy.

The policy of encouraging some regions, enterprises, and individuals to become better off first has creatively developed Marxism-Leninism and has formed into a Chinese-style socialist construction road leading to common prosperity. The 3d Plenary Session of the 11th CPC Central Committee made an initial breakthrough in rural reform, thus enlivening the overall situation in agriculture. It is thus obvious that proceeding from the realities of the 800 million peasants, promoting agriculture, and encouraging peasants to become better off first is the essential point and the best method by which to advance the overall situation. The decision on expediting the reform of the entire economic structure centered on cities, adopted by the 3d Plenary Session of the 12th CPC Central Committee, is the pressing requirement for the development of the current situation in China. Such a sense of urgency in urban reform can be regarded as an inevitable and logical development of the successful rural reform.

At present the rural reform is going forward and the rural economy is moving specialization, large-scale commodity production, and modernization. Therefore, there is an urgent need to unclog the channels of circulation between town and country, expand the market for the increasing amount of agricultural products, and satisfy the rising need of the peasants for manufactured goods, science and technology, and culture and education. Besides developing the rural areas, rural reform has also set favorable conditions in many aspects for the reform of the entire economic structure centered on cities. We firmly believe that with the party's correct policies, the fruitful experience of the contracted responsibility system implemented in the rural areas, and the 800 million peasants to serve as the reliable alliance of the working class, the policy of encouraging and allowing some people to become better off first will inevitably affect and bring about a rapid development in the entire national economy and will inevitably promote the reform of the entire economic structure.

XINHUA URGES WIDENING OF INCOME DIFFERENCES

OW171409 Beijing XINHUA Domestic Service in Chinese 0804 GMT 16 Nov 84

[Commentary: "Widen the Income Differences of Workers" -- XINHUA headline]

[Excerpts] Beijing, 16 November (XINHUA) -- Up until now, we have not truly removed the egalitarian shackles on the question of urban workers' wages, and income differences have not been widened.

Investigative materials in various localities show that a situation common to many enterprises, in which no differential is made whether one works hard or not, and whether one performs well or poorly, has not changed much; clerical workers' wages are generally still rather low. Many good workers, who have done exceedingly well in their work and have made great contributions to society, have not been properly rewarded and quite a few contracts have been wantonly torn up, merely because the people concerned deserved relatively higher bonuses. All these problems are waiting to be solved in the course of economic structure reform. Many of our comrades do not, in so many words, object to distribution according to work, and agree that some people should be allowed to prosper first.

However, they only approve of relatively small differences in workers' incomes. Once workers' wages are calculated on the basis of work done, and income differences widen, they become puzzled and full of worry. Some even raise criticisms and objections, on the grounds that such big gaps may lead to polarization.

Not long ago, while discussing reforms in Xuzhou with 13 factory directors, managers and party committee secretaries, Comrade Hu Yaobang pointed out that it is necessary to firmly and boldly widen the income differences of workers. There was no mistaking what "firmly" and "boldly" were aimed at. In the current stage, merely recognizing the need for income differences will not do. We must widen them in line with the big differences in contributions to the state. Whether we dare to widen this gap, or not is an important yardstick in measuring our determination to firmly implement the socialist principle of distribution according to work. This socialist distribution principle should be fully utilized to reward good, diligent workers and punish bad, lazy workers by giving more pay for more work, and less pay for less work. It should also fully reflect the difference between clerical and manual work, between complicated and simple work, and between strenuous and light work. Bonus and wage differences should be as large as the objective differences in the quantity and quality of work done.

Will widening income differences incur criticism and objection from some people? Yes, this contradiction exists. However, we cannot solve this problem by egalitarian methods. In a socialist society, in which the exploiting classes as such have been eliminated, egalitarianism will only make laggards share the fruits of work done by the diligent. This will not only dampen the enthusiasm of diligent workers, but can also lead to the disruption and stagnation of social productive forces. If we clearly explain this to these people, they will certainly accept the policy of widening the income differences of workers. On the other hand, if we are fearful of these people's criticisms and objections, and dare not firmly and boldly widen the income differences of workers, production will not be promoted, and people will remain slack, undisciplined, and poor. In the end, more people will object.

To successfully widen the income differences of workers, we must, in addition to overcoming ideological resistance, work out a set of scientific management measures. In line with the principle of combining responsibility, authority, and interests, and unifying the interests of the state, the collective, and the individual, all enterprises should introduce economic responsibility systems, with stress on contracts, and work out other reward measures suitable for their specific conditions. Only by doing so, can we fully mobilize the enthusiasm, creativity, and initiative of the vast number of workers, push forward the development of social productive forces, and increase the wealth and happiness of the whole people.

ZHANG AIPING ON IMPORTANCE OF TECHNOLOGY RESEARCH

OW171015 Beijing XINHUA Domestic Service in Chinese 1328 GMT 16 Nov 84

[By reporter Peng Ziqian]

[Text] Beijing, 16 Nov (XINHUA) -- Zhang Aiping, state councillor and deputy secretary general of the Central Military Commission, said: The industrial departments for national defense are now implementing the guidelines laid down by the 3d Plenary Session of the 12th CPC Central Committee and the symposium sponsored by the Central Military Commission. It is necessary to bring into full play the role of scientists and technical personnel, do a good job in conducting advance research in developing military industry and turning out goods for civilian use, raise standards for research work on production, bring about technical progress, and make new contributions to modernizing national defense and to promoting overall development in national construction.

Zhang Aiping delivered a speech at a meeting held on 15 November by the Science and Technology Committee of the Commission of Science, Technology, and Industry for National Defense. He pointed out: Strengthening the work of advance research is the prerequisite to and forerunner of the development of science and technology. Whether it be in developing weapons and military equipment or in producing goods for civilian use, we must, first of all, pay attention to our advance research work. In the past, many of our products had seen no progress for several decades. It took a long time to replace them or change new models. One reason was the lack of advance research. Comrade Nie Rongzhen has previously called for efforts to pay attention to the "three moves of a chess game" — advance research work, development, and production. Now, it is essential to stress this point again. To do advance research work well, we must apply our knowledge, summarize our experience, consider our own state of affairs, and comprehensively study foreign reference material in science and technology and the scientific developments abroad. In the course of turning out the first generation of products, and developing the second generation, we must conduct research ahead of time on the third generation. Only by doing so, will it be possible for us to reach the advanced level of science and technology in a fairly short period.

Zhang Aiping also emphatically pointed out: In order to develop our science, technology, and industry for national defense, we must change the work styles and methods that fail to keep pace with the developing new situation.

Urges Better Defense Products

OW190125 Beijing XINHUA Domestic Service in Chinese 1732 GMT 17 Nov 84

[By reporter Zheng Qianli]

[Text] Beijing, 17 Nov (XINHUA) -- Under the new circumstances of our economic structure reform, departments of national defense science, technology, and industry should strive to develop and manufacture products of more advanced technology and of a higher quality in order to improve their competitiveness and better serve the needs of the national economy and defense construction, said State Councillor Zhang Aiping today at a meeting on the interplant quality assurance system held by the Commission of Science, Technology, and Industry for National Defense.

Zhang Aiping said: To ensure good product quality, all staff members and workers should have a deep consciousness of the importance of quality. At the same time, a strict and perfect system of quality control should be established. Quality control should be done at all steps in the production process, starting from raw materials, semi-finished materials, and component parts. Besides, it is imperative to apply the law of value conscientiously and to institute strict rules for rewards and punishment. Those who have done something to ensure quality should be rewarded. Those who have caused poor quality should be punished commensurate with the seriousness of their cases. Leading cadres of various enterprises should keep to this principle and dare to grasp and manage this matter.

In no way should they be "perfunctory." It is essential to resolutely implement the system of plant directors assuming full responsibility. Plant and institute directors should dare to carry out their duties and ensure the quality of products by setting strict demands and by rewarding the diligent and punishing the lazy.

Zhang Aiping pointed out: Departments of national defense science, technology, and industry should do well in technology transfer. They should see to it that the matured [chang shu di 2052 3578 4104] military technologies are popularized and applied to the national economy. New technologies are the fruitful results of the work of scientists and technicians, and they, themselves, are part of the productive forces. Because of this, it is necessary to make full use of the law of value to promote technology transfer on a wide scale. Whether the recipients of the technologies are enterprises owned by the whole people or by collectives, the two sides should carry out democratic consultations to reach agreement and make the transfer.

At the meeting, citations were awarded by the Commission of Science, Technology, and Industry for National Defense to 32 outstanding units which had instituted the inter-plant quality assurance system.

11,000 TECHNICAL UPGRADING PROJECTS PLANNED

HK160619 Beijing CHINA DAILY in English 16 Nov 84 p 1

[By staff reporter Chen Guanfeng]

[Text] China will spend 90 billion yuan on 11,000 technical upgrading projects from 1985 to 1987. The 11,000 projects will involve 8,100 enterprises. Of these projects, 4,820 will be launched with imported technology and equipment, involving a total investment of ~~51 billion yuan (about \$20 billion)~~, including \$14.2 billion in foreign exchange. This was announced by Zhu Rongji, vice-minister of the State Economic Commission at the second national conference on technical advancement which began in Beijing yesterday.

"The three-year technical upgrading programme has been worked out according to the principles of the Seventh Five-Year Plan now under consideration," Zhu said. Starting from next year, local governments will be authorized to select and decide on technical upgrading projects involving investment of 30 million yuan and importing technical items up to \$5 million. Until now, local governments could approve technical upgrading projects involving only 10 million yuan and import technical items up to \$1 million.

Instead of administrative methods, pricing, taxation and credit will be used as the chief means in the management of the national economy. Bank loans, for example, will be extended at different interest rates so as to encourage enterprises to strive for technical advancement. Greater efforts will be devoted to information collecting so that all enterprises can keep abreast of the latest technical and economic developments in the world.

Lu Dong, the commission's minister, called the programme a "strategic decision." "Unless we carry out the programme successfully, our goal of quadrupling the national output value by the year 2000 will inevitably abort," he said. He pointed out that China's industrial enterprises are haunted by outdated equipment, backward technology and poor management. In Shanghai, the country's largest industrial centre, 80 percent of the equipment in textile and light industry enterprises is nearly 40 years old, and the rest 15 to 25 years old. "If this situation continues, the gap between us and developed countries will become even wider," the minister added.

China began to pay attention to technical upgrading in 1979. By 1983, the country had invested a total of 106.5 billion yuan in technical upgrading, and during the first nine months of this year, 16.2 billion yuan were used for this purpose.

COMMENTATOR ON TECHNICAL TRANSFORMATION INVESTMENT

HK160720 Beijing RENMIN RIBAO in Chinese 15 Nov 84 p 1

[Commentator's article: "Truly Put the Stress of Investment on Technical Transformation"]

[Text] Resolutely putting the stress of investment on technical transformation, reconstruction, and expansion of existing enterprises and industrial bases is our country's policy for economic construction at present and for a very long time to come. While energetically pushing forward the reform of the economic structure, earnestly implementing the above policy is of great significance in laying a good foundation in the first 10 years and in invigorating the economy in the second 10 years.

With the construction done in the past several 5-year plans, we have laid a substantial industrial foundation throughout the country, in places along the coast and in the hinterland, and the layout of industry has been extended. However, economic results are still not very good and the potentials of existing enterprises must be speedily tapped. Therefore, viewed from the country as a whole, and as far as the disposal of productive forces are concerned, the stress is not on setting up new ones but on raising the technical level and increasing the production capacity of existing enterprises and industrial bases in the future. Of course, it is still necessary to build some major state projects that have a bearing on the overall situation of the national economy, the people's livelihood, and economic development. However, at present and during the Seventh 5-Year Plan, the stress of economic construction should be placed on the technical transformation, reconstruction, and expansion of existing enterprises and industrial bases. Our comrades must have a very clear and unequivocal understanding of this.

In building new industrial enterprises, everything has to start from the very beginning. The time needed for capital turnover is long, investment is heavy, and much time is required before production can be started. The greatest advantages of carrying out technical transformation, reconstruction, and expansion of existing enterprises and industrial bases are that the time needed for the capital turnover is short, little time is needed before production can start, economic results are good, and we can get twice the results with half the effort. At present, most of the equipment in the country's several hundred thousand industrial enterprises and in the old industrial bases in Liaoning and Shanghai are outdated and the technology is backward. It is imperative to carry out technical transformation. This policy has been talked about for many years. Nevertheless, it seems that it has not been truly implemented. There are many reasons for this. This most important one is that our comrades still adhere to the idea of "attaching importance to new enterprises and belittling technical transformation," which has been formed over a long period in the past. As a result, studies of developing technology are insufficient, the rate of depreciation set for enterprises is too low, and enterprises lack vitality for self-transformation and self-development. Such a phenomenon should no longer be allowed to exist. We must effect a big change in our ideology, seek unity of thinking on the basis of the policy of making technical transformation the main aspect, and accelerate the speed of economic construction.

Establishing and strengthening the notions of capital turnover, calculating interest, and input-output are conducive to increasing the consciousness of carrying out the technical transformation of existing enterprises and industrial bases.

Over a very long period in the past, quite a few comrades did not understand and were unable to carry out commodity production or construction, or to run enterprises. They did not have the concepts of capital turnover, interest, and input-output. According to forecasts by departments concerned, the budgetary estimate of investment in a construction project which is to be completed and put into operation in 5 years, is 10 million yuan. If interest is included, the total volume of investment of this project will be 15 million yuan. If this project is to be completed and put into operation in 10 years, the budgetary estimate of investment will be increased by 100 percent. This is to say that we must learn how to carry out construction by economic means.

Putting the stress of economic construction on technical transformation is by no means the business of a certain department alone. All departments concerned must implement this policy. Without stress, a policy will fall through. In making arrangements for financial and manpower resources, we cannot regard "march quickly and mark time" as our only alternatives. From now on all departments must give the green light to technical progress and the technical transformation of enterprises.

CHENGDU AIRCRAFT COMPANY DEVELOPS NEW FIGHTER

HK180222 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 17 Nov 84

[Text] The Chengdu Aircraft Company's staff and workers have, after 3 years of hard work, successfully developed a type-M light fighter aircraft. After rigorous experiments and test flights, the airplane has now been placed in serial production.

The type-M represents a major improvement of this company's type-(?E) aircraft. It is equipped with modern weapon and electronic systems and has excellent performance. In order to improve its performance as well as seek good economic results, the leaders of the company mobilized the engineers and technicians to carry out meticulous design and manufacture, and enforced strict quality controls. The test personnel overcame various difficulties in carrying out several hundred flights under a variety of conditions. Following the successful trial-manufacture, the customer departments have expressed great appreciation for the type-M.

ZHAO ZIYANG, OTHERS HONOR LATE SONG YANGCHU

OW170821 Beijing XINHUA Domestic Service in Chinese 1428 GMT 16 Nov 84

[Excerpt] Beijing, 16 Nov (XINHUA) -- Comrade Xong Yangchu, member of the Standing Committee of the Sixth CPPCC National Committee and minister and party group secretary of the former Ministry of Building Materials, failed to respond to medical treatment for his illness and died in Beijing on 31 October 1984, at the age of 70.

A ceremony to pay last respects to Comrade Song Yangchu's remains was held today at the Beijing Hospital. Wreaths were sent by the CPC Central Committee, the State Council, and the CPPCC National Committee as well as by Hu Yaobang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Wan Li, Yao Yilin, Chen Muhua, Deng Liqun, Gu Mu, Qiao Shi, Bo Yibo, Kang Shien, Zhang Jingfu, Zheng Tianxiang, and Qian Changzhao.

Zhao Ziyang, Xi Zhongxun, Wang Zhen, Yu Qiuli, Song Renqiong, Liu Lantao, Duan Yunyi, Cheng Zihua, Song Ping, Yang Kingren, and Zhao Puchu sent wreaths and went to the hospital where they paid their last respects to Comrade Song Yangchu's widow Fang Zhixi and their children. Also present at the ceremony today were the friends of Comrade Song Yangchu.

Xi Zhongxun, Gu Mu, and Bo Yibo visited Comrade Song Yangchu in the hospital when he was seriously ill.

VICE PREMIER LI PENG ARRIVES IN WUHAN 15 NOV

HK170414 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 16 Nov 84

[Text] Vice Premier Li Peng arrived in Wuhan yesterday, accompanied by responsible comrades of the Central Financial and Economic Leadership Group, the State Planning Commission, the State Science and Technology Commission, the Ministry of Water Resources and Electric Power, and the Ministry of Communications. In the afternoon, he listened to reports given by leading comrades of the provincial CPC Committee and government on the province's execution of the national economic plan and on the reform of the economic structure in the urban and rural areas.

Leading comrades of the provincial CPC Committee and government Huang Zhizhen, Shen Yinluo, Wang Qun, Qian Yunlu, Tian Ying, Liang Shufen, Wang Hanzhang, and Wang Libin attended this report meeting.

Vice Premier Li praised Hubei for scoring a new record in agricultural production this year and achieving good momentum in industrial output. He said: In the previous 2 years, Hubei's economic growth was rapid, but economic results may not have been so good. This year there has been a notable improvement in economic results and synchronous progress has been made in three respects. This is very great advance.

When he heard reports on how Wuhan City was relaxing controls on the handling of pork, bean products, vegetables, and fish, and in particular how it was abolishing coupons for pork and bean products and instituting open supplies, with base figures appraised and decided and subsidies for price differences, Vice Premier Li affirmed this method and was very satisfied with the lively and abundant results of relaxing controls. He said that this method does not excessively increase the state's financial subsidy nor does it increase the economic burden of the consumers. He demanded that the departments concerned seriously sum up the experience of reforms in this respect.

In the evening, Vice Premier Li and his party inspected the Chang Jiang planning office and the Chang Jiang water conservancy engineers and technicians, and also visited the experimental plant for the dams, sluiceways, power stations, and silt removal systems for the three gorges and Gezhou Dam water conservancy projects. Vice Premier Li had high praise for the contributions of the engineers and technicians of these two units in exploiting the Chang Jiang. He urged them to make still greater efforts and new contributions in the practice of exploiting and building the Chang Jiang.

GU MU, NI ZHIFU INSPECT TIANJIN MUNICIPALITY

SK180712 Tianjin City Service in Mandarin 1430 GMT 17 Nov 84

[Text] Comrade Gu Mu, member of the Secretariat of the CPC Central Committee and state councillor, came to the municipality on 14 November for an inspection tour, and left here on the afternoon of 17 November. During his inspection trip, Comrade Gu Mu expressed his views on how to strengthen technical transformations among old enterprises, how to build the economic and technological development zones, and how to develop Tianjin harbor, in the course of further opening to the outside world. Responsible comrades of the municipal CPC Committee, the municipal People's Congress Standing Committee, and the municipal People's Government, including Ni Zhifu, Zhang Zaiwang and Li Ruihuan, accompanied Gu Mu on his inspection trip, and reported to him on the work situation.

After hearing the report made by a responsible person of the municipal People's Government with regard to Tianjin's situation in further opening to the outside world, Comrade Gu Mu pointed out: Tianjin has made relatively rapid development in opening to the outside world compared to the 13 other coastal cities. A few years ago, Tianjin had already conducted some economic and technological cooperative projects with foreign countries. This year, since the CPC Central Committee decided to further open Tianjin to the outside world, great development has been made in this regard. From January to October, Tianjin signed 154 contracts in the sphere of technological imports, and some of these contracts involve very big investments. This shows that Tianjin is taking new strides in utilizing foreign capital and in technological imports. The attitude of Tianjin's cadres and masses is very good. Technical transformation of old enterprises has developed in a down-to-earth manner. Plans for building the economic and technological development zone have been mapped out. Thanks to the reform, efficiency in loading and unloading at Tianjin harbor has been raised remarkably. I hope that Tianjin will continue to work hard in order to lead the country in the reform and in opening to the outside world.

With regard to the next step for urban reform and for opening to the outside world, Comrade Gu Mu made three suggestions:

1. Conscientiously studying and implementing the guidelines of the 3d Plenary Session of the 12th CPC Central Committee, raising the ideological understanding of the vast numbers of cadres and the masses, and further opening the coastal cities to the outside world are important strategic policies of the CPC Central Committee. We should make a full appraisal of the arduous and complex nature of the shift from the past protracted closed-door policy to the present open-door policy. We should purposefully conduct propagation work and education in order to unit the ideology of cadres and the masses with the line, principles, and policies of the CPC Central Committee.
2. We should give priority to the technical transformation of old plants. As an old industrial base, Tianjin shoulders an arduous task in technical transformation, and very great economic efficiency is expected. Therefore, we must do our best to achieve success in this regard. With their existing foundation, some plants can cooperate with foreign firms and use foreign capital to renovate their outmoded technologies and equipment so that their products can be upgraded and update. Some can import advanced and applicable technologies and key equipment to accelerate their renovation work. The technologies and equipment imported for building the economic and technological development zone should also be geared to the technical transformation of old plants.

3. In carrying out urban reform, the most important thing at present is to thoroughly comprehend the guidelines of the decision, and look deeply at reality in order to conduct investigations and studies. On the one hand, we should be resolute in carrying out reforms. Those affairs which are covered by the stipulations of the central authorities and which can be handled by the municipality should be firmly grasped and handled well through hard work. On the other hand, we should develop our work in a down-to-earth manner. Those affairs which relate to the overall situation should be treated with great care, and experiments should be carried out regarding these affairs.

While inspecting the selected site for the economic and technological development zone in Tanggu District, Comrade Gu Mu pointed out: Bordering Tianjin harbor, with convenient transportation conditions, and with the support of Tianjin's industrial foundation, the economic and technological development zone has a great potential for developing the scientific and technological force. In importing technologies, we should devote ourselves to the development of new products, plan more technology-intensive and knowledge-intensive projects, and advance toward the goal of producing high-standard, precision, and sophisticated products. In building the development zone, we can first carry out experiments in a small area, and, after gaining experience from the practice, expand the area gradually. At present, we should strengthen the building of basic installations, and, at the same time, strengthen the subsidiary municipal works of Tanggu.

While inspecting Tianjin harbor, Comrade Gu Mu received Mr (Niao Ji Xing Xiong), the top adviser regarding Tianjin harbor, inquired about the work and living situations of the advisory group, and listened to his opinions on further strengthening the port management and construction.

While in Tianjin, Comrade Gu Mu also inspected some imported projects and joint-venture enterprises, and held talks with comrades of some plants and enterprises. Accompanying Gu Mu on his inspection tour of Tianjin were Gan Ziyu, vice minister of the State Planning Commission, and Ma Yi, Vice minister of the State Economic Commission.

WANG ZHEN ADDRESSES KMT DISCUSSION MEETING

OW180909 Beijing XINHUA Domestic Service in Chinese 1650 GMT 17 Nov 84

[Excerpts] Beijing, 17 Nov (XINHUA) -- The Central Committee of the KMT Revolutionary Committee held a discussion meeting at the Great Hall of the People on 17 November to mark the 90th anniversary of the birth of Mr Deng Baoshan, a well-known patriotic democrat, faithful friend of the CPC, and one of the outstanding leaders of the KMT Revolutionary Committee.

Attending the discussion meeting were Xi Zhongxun, Yang Shangkun, Zhu Xuefan, Fainqen Erdini Qoigyi Gyaincain, Hu Yuzhi, Yang Jingren, Chen Zihua, and Burhan Shahidi. Gu Wu, vice chairman of the Central Committee of the KMT Revolutionary Committee, presided over the meeting.

Comrade Deng Xiaoping wrote the title of the book "General Deng Baoshan," a collection of historical data published to mark the 90th anniversary of his birth.

During the Peiping-Tientsin Campaign toward the end of 1948, Deng Baoshan reached agreement with the PLA of China as the plenipotentiary of Fu Zuoyi, thus making an outstanding contribution to peaceful liberation of Peiping. In February 1949, he led his troops in defecting. After the establishment of the Republic, Mr Deng Baoshan was in charge of the Gansu Provincial People's Government for a long time while concurrently serving as vice chairman of the Central Committee of the KMT Revolutionary Committee. He died of illness in Beijing in November 1968.

Wang Zhen, member of the Political Bureau of the CPC Central Committee, spoke at the discussion meeting. After highly praising Mr Deng Baoshan's contributions, Wang Zhen said: Now the people of all nationalities in China are working hard for socialism with Chinese characteristics. Not long ago, Comrade Hu Yaobang said that the Chinese nation had had two soaring leaps in history. Today we were working for the third soaring leap. Many lofty-minded people contributed to the two soaring leaps in the past. Mr Deng Baoshan was one of them. We should be as worthy as our forerunners and struggle hard for the motherland's third soaring leap and the realization of the third KMT-CPC cooperation in order to accomplish the great cause of the motherland's reunification at an early date.

Liu Lantao, vice chairman of the CPPCC National Committee, and Cheng Zihua, Wang Bingnan, Sun Zuobin, and Fu Xuewen also spoke at the meeting.

Zheng Dongguo, Jia Yibin, Hou Jingru, and Li Ganliu, vice chairmen of the Central Committee of the KMT Revolutionary Committee, and over 200 of Mr Deng Baoshan's friends attended the discussion meeting.

On the same evening, the Central Committee of the KMT Revolutionary Committee entertained Mr Deng Baoshan's children Deng Huilin, Deng Tuantuan, Deng Yinyin, and Deng Chengcheng at a dinner at the Great Hall of the People.

People from all walks of life in Gansu Province met at Lanzhou on 5 November to mark the 90th anniversary of Mr Deng Baoshan's birth.

FANG YI ATTENDS TAIYUAN MEETING ON ALLOY STEEL

HK170317 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 16 Nov 84

[Text] The second national science and technology meeting on low-alloy and alloy steel, jointly convened by the State Science and Technology Commission, the Ministry of Metallurgical Industry, and the Shanxi Provincial People's Government, opened in Taiyuan on 16 November. Fang Yi, member of the Political Bureau of the CPC Central Committee and state counsellor, attended the meeting.

Vigorously developing alloy steel, especially low-alloy steel, is one of China's important technological policies. In order to speed up the development of low-alloy and alloy steel, the first national conference on this topic decided on 85 technical problems to be tackled. Thanks to the close cooperation of the Ministry of Metallurgical Industry, the provinces, cities, and relevant enterprises, research units, and institutes of higher education, excellent results have been scored in this endeavor. Output, quality, and variety of low-alloy and alloy steel made in China have undergone great development. Output of alloy steel last year was 27 percent higher than in 1982. Continual growth in output of low-alloy steel has been recorded this year. A rise of 27 percent was recorded in the first half of the year compared with the same period last year.

At the opening of the meeting Song Jian, director of the State Science and Technology Commission, delivered the opening speech. He stressed: It is necessary to strengthen coordination in tackling technical problems. It is essential to pay full attention to economic results in dealing with these problems.

Provincial CPC Committee Deputy Secretary Wang Kewen welcomed the participants on behalf of the provincial CPC Committee and government. He said: Shanxi should speed up the development of the metallurgical industry, especially of low-alloy and alloy steel.

We must take advantage of the superior features of the Taiyuan Iron and Steel Company and speed up its technological transformation. We should build the company into a key alloy steel enterprise worthy of the name.

Responsible comrades of the State Science and Technology Commission, the Ministry of Metallurgical Industry, and the provincial CPC Committee and government Li Xiuren, Wang Kewen, Yan Wuhong, Zhou Chuandian, (Qi Shi), Lu Da, and (Lin Hua), and over 300 representatives from some 90 units are attending the meeting.

YU QIULI, OTHERS PAY LAST RESPECTS TO YU CHUJIE

OW161245 Beijing XINHUA Domestic Service in Chinese 1722 GMT 15 Nov 84

[Text] Beijing, 15 Nov (XINHUA) -- Comrade Yu Chujie, vice chairman of the All-China Federation of Railway Workers Unions, who took part in the Pingjiang Uprising, died of illness in Beijing on 29 October 1984 at the age of 84, after medical treatment failed. A ceremony to pay last respects to Comrade Yu Chujie's remains was held on the afternoon of 14 November at the auditorium of the Babaoshan cemetery of fallen revolutionaries.

Wreaths were sent by Nie Rongzhen, Wan Li, Yu Qiuli, Wang Ping, Huang Kecheng, Lu Zhengcao, Zhang Pinghua, Gan Weiha, Li Da, Chen Puru, Liu Jianzhang, Li Jiebo, Yang Jie, Guo Weicheng, and other comrades, as well as by the Organization Department of the CPC Central Committee, the CPC Fifth Central State Organs Committee, the Hunan provincial party committee and provincial People's Government, the Railways Ministry, and the Pingjiang County Party Committee and county People's Government.

Paying last respects to Comrade Yu Chujie's remains were Yu Qiuli, Wang Ping, Wu Xiuquan, Liu Lantao, Xiao Ke, Duan Junyi, Cheng Zihua, Hong Xuezhi, Lu Zhengcao, Zhang Zongxun, Li Jukui, Zhang Zhen, Liu Zhijian, Sun Yi, Fang Zhengping, Zhong Shitong, Chen Puru, Liu Jianzhang, Li Jiebo, Cao Ying, Cui Tianmin, and Yu Manyun.

Comrade Yu Chujie was a native of Pingjiang County, Hunan Province. In 1926, he took part in the northern expedition war, and experienced several battles against the "encirclement" and took part in the 25,000-li Long March after joining the Chinese Worker-Peasant Red Army. He was admitted into the CPC in 1929 and was elected deputy to the party's "Seventh National Congress." Since liberation, he held posts as director of a bureau of the Railways Ministry and deputy director of the General Engineering Bureau, and was elected member of the Third, Fourth, and Fifth National Committees of the CPPCC. Comrade Yu Chujie was an outstanding member of the CPC and a long-tested loyal communist fighter.

ANHUI RIBAO COMMENTS ON BECOMING ENTREPRENEURS

HK170325 Hefei ANHUI RIBAO in Chinese 15 Oct 84 p 1

[Commentator's article: "To Be an Entrepreneur, Not an Old-Type Rich Man"]

[Text] Socialist modernization requires all our factory directors and managers to become entrepreneurs and to have knowledge of science, culture and management, political insight and many other qualities and talents. However, judging by the present state of affairs in our enterprises, our factory directors and managers in particular are required to understand commodity production and the law of value, to learn the skills of making money and employing funds and not to become "old-type rich men."

What is an "old-type rich man?" An "old-type rich man" is a man who only knows how to keep his money, but is not good at making money or using his money. In China's prolonged feudal society, there were indeed such "old-type rich men." Pu Songling, a well-known novelist of the Qing Dynasty, depicted this kind of "old-type rich men," and said that these "rich men" only knew how to "store wealth," and that they did their utmost to accumulate wealth by unfair means and "stored their wealth underground for fear that other people might know that they were rich." Even up to the day they died they were unwilling to dig up what they had stored underground. Pu Songling bitterly sneered at them and termed such "old-type rich men" who "stored gold and thought themselves rich" foolish people.

In fact, the reason why these "old-type rich men" were foolish was because they did not know that money was nothing but something of equal value to commodities and that only when money was turned into funds (into capital in a capitalist society) could its value increase and because they wrongly thought that storing up all the money they had collected meant "being rich." This kind of thinking of "old-type rich men" was an inevitable outcome of the reality in old China where there was no developed capitalist economy and where people did not understand the commodity economy. When we are building a socialist modern economy today, this kind of thinking and actions of the "old-type rich men" that regard "storing gold as being rich" is very harmful.

The practice of our socialist society has proved that it is still necessary in a socialist society to preserve the form of commodity production and it is still imperative in socialist production to preserve the form of commodity production. Therefore, as a socialist entrepreneur who wants to develop the socialist economy, he must understand the characteristics of commodity production and exchange under socialist system, consciously apply the law of value and conscientiously organize and develop socialist commodity production and exchange in light of the relations of supply and demand in the market. This requires that they should be good at using their funds and that they should never be as short-sighted as the "old-type rich men" and should have a broad field of vision and a mind that knows strategy, vigorously develop socialist commodity production, and make outstanding contributions to the four modernizations.

In employing funds, a socialist entrepreneur should first foster a clear concept about interest. Interest is an objectively existing thing and is not a thing that people have artificially invented. Interest in a socialist society reflects the mutually helping and mutually beneficial relations between the state and enterprises and between the state and people in employing funds. It is an important economic lever in developing socialist production. When we employed funds in the past, we lacked the concept of interest; therefore the period of construction was long and large amounts of funds thus were wasted.

It is very worthwhile for us to conscientiously sum up experiences in this field. Our socialist entrepreneurs must have the concept that we must recover as soon as possible the money that we have invested. Anyone who can invest less funds and recover the investment in a shorter period will have higher economic results than others. We should encourage people to employ funds in a lively way instead of keeping funds dead like the "old-type rich man" did. We encourage people to earn large profits with a small investment of money. Therefore, a socialist entrepreneur must be skilled at applying the law of value. Ideas that pay no attention to interest or fail to pay attention to obtaining much output with little input is in essence the idea of the "old-type rich men" who "stored gold and regard this as being rich."

A central responsible comrade recently pointed out: The focus of urban reforms is to solve the problem related to our enterprises' vitality and thus invigorate our enterprises. When we have enlivened our enterprises, everything will become easy to do. The task for a socialist entrepreneur is to enliven his enterprise. Therefore, we must thoroughly discard the idea of the "old-type rich men" concerning "storing money" and we must learn how to satisfactorily manage and utilize funds, raise economic results, and promote the development of the socialist commodity economy.

ANHUI COMMENTARY ON CHANG JIANG ECONOMIC ZONE

HK170828 Hefei ANHUI RIBAO in Chinese 8 Oct 84 p 1

[Commentator's article: "A Correct Proposal Proceeding From Reality"]

[Text] After repeated discussions and studies and through carefully analyzing Anhui's conditions in a comprehensive and objective manner, the provincial CPC Committee and government decided to accelerate the building of Chang Jiang Economic Zone in Anhui and to regard the areas along the river as "pioneers" for bringing about an upswing in Anhui's economy. This is an important policy decision for developing Anhui's economy and a correct proposal which proceeds from reality.

The section of the Chang Jiang in our province is more than 400 kilometers in length. The building of the Chang Jiang economic zone to be accelerated includes Maanshan, Wuhu, Tongling, and Anqing Cities and Chaohu and Anqing Prefectures. This zone is located in the mid-reaches of the Chang Jiang, in the hinterland of east China, and in the intermediate area between the coastal areas and the interior. It occupies a favorable geographical position, which is convenient for water and land transport. It has abundant agricultural and sideline products and rich mineral resources. It has a solid economic foundation and is a developed zone for carrying out internal and external trade. It is Anhui's famous "land of fish and rice" and a "golden zone" for developing the economy.

Building the Chang Jiang economic zone in Anhui is an inevitability in social and economic development. Viewed from within the province, this zone possesses a "golden water course." In other words, the Chang Jiang, as a natural tie, organically links up the six prefectures and cities. The abundant agricultural and sideline products and mineral resources are concentrated in this zone, which is convenient for exploitation. Commerce and trade here have a long history of mutual exchanges and promotion. An embryonic form of the economic zone has already taken shape in the distribution of the existing industry. Viewed from the whole country, this zone can connect Anhui with the provinces and regions in the upper and lower reaches of the Chang Jiang and overseas regions, which is conducive to exchanging information and helping each other forward. Along with the gradual change of distribution of the nation's productive forces in the future, it can also play the significant role of a stepping stone.

We must make full use of these advantages and regard the Chang Jiang economic zone as one of Anhui's bases for opening to the outside world, as a hub of communications connecting all sides, as a bridge joining the coastal areas with the central plain, and as a forward position for developing new industries.

It is a great and arduous task to build the Chang Jiang economic zone, which requires the exertion of strenuous efforts and much hard work. We must emancipate our minds, widen our field of vision, arouse our spirits, adhere to reform, further implement the policy of opening to the outside world and enlivening the domestic economy, adopt necessary special policies and flexible measures, and lay conditions for the upswing of the Chang Jiang economic zone.

First, we must pay attention to unified planning. In order to rationally distribute the productive forces and do a good job of overall balance, it is necessary to pay close attention to the general development plan of the Chang Jiang economic zone. All departments concerned, prefectures, and cities should put forth special topics, make thorough investigations, find out the real situation, analyze the advantages and disadvantages, probe into the developing direction and focal points, and pay attention to forecasting work. Meanwhile, it is also necessary to carry out scientific discussions, provide consultative services, do preparatory work well, work out feasible plans, and put forward the strategic objectives, steps of implementation, and main countermeasures for each stage.

Second, we must simplify administrative procedures and delegate power. We must implement the principle of the leading role of the planned economy and the supplementary role of market regulation; combine reform of the urban and rural economic structures; further delegate the approval rights for planning, finance, foreign trade, and labor and wages; give full play to the initiative of all prefectures, cities, and enterprises; establish all forms of economic contracted responsibility systems, and give vitality as well as pressure to the localities and enterprises.

Third, we must relax policies and open the door to the outside world. It is necessary to adopt some flexible measures and preferential policies to boldly draw in foreign investment and import advanced technology. We must actively encourage and welcome foreign businessmen and domestic clients to run factories, mines, hotels, and universities in Anhui. In running enterprises through joint ventures, collective funds, or exclusive investment, we must also adopt flexible measures and provide attractive and preferential conditions.

There is a solid economic basis and bright prospects for exploiting and building the Chang Jiang economic zone. Herein lies the hope for revitalizing Anhui. Provided we can unite as one, make strenuous efforts, and dare to blaze new trails, we will certainly be able to paint a beautiful picture of the areas along the river never before painted by others, carry out a great cause never before undertaken by others, and make new contributions to "China's revitalization and Anhui's construction!"

XIANG NAN ATTENDS FUJIAN CPC REFORM MEETING

OW160921 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 13 Nov 84

[Text] A work meeting of the provincial CPC Committee, which ended on 12 November, called upon party organizations at all levels and all party members and cadres in the province to further emancipate their minds, persist in seeking truth from facts, and carry out the "Decision of the Central Committee of the CPC on Reform of the Economic Structure" by taking into consideration the actual situation in our province.

In particular, it is necessary to consider the power that the central authorities have given our province to implement a special policy and take flexible measures in economic dealings with foreign countries. The meeting urged that the above decision of the CPC Central Committee be carried out in an all-round and creative way by giving prominence to the open-door policy and acting flexibly to accelerate the pace of reform in our province.

The meeting emphasized: To successfully reform the economic structure, we should grasp the central task of increasing the vitality of enterprises and make supplementary reforms in other areas step by step. We should persist in emancipating our minds, practicing the open-door principle both internally and externally, delegating power to the lower level, and making policy more flexible. Besides, it is necessary to enliven enterprises, commodity circulation, work in cities, activities in dealing with foreign countries, native villages of Overseas Chinese, and the training of talented people; to reform the systems of commodity prices, wages, and organizational structure; and to make comprehensive efforts to do whatever is needed to supplement the above.

The work meeting of the provincial CPC Committee began on 6 November. It relayed the guidelines of the 3d Plenary Session of the 12th CPC Central Committee, and the participants studied those guidelines. The participants also discussed a proposal for the work to be carried out in the near future toward reforming the economic structure in our province, studied how to further enliven foreign economic relations and trade, and made plans for the province's work for the winter of this year and spring of next year.

Responsible comrades of the provincial CPC Committee, including Xiang Nan, Hu Ping, and Hu Hong, addressed the meeting. Present at the meeting were responsible comrades of the Preparatory Group of the Advisory Commission of the provincial CPC Committee, members of the leading party groups of the provincial People's Congress, the provincial government, and the provincial CPPCC Committee, as well as key responsible comrades from various departments and commissions concerned of the provincial government, and various prefectural and city CPC Committees.

FUJIAN URGES PROMOTION, USE OF COMMON SPEECH

OW162140 Beijing XINHUA Domestic Service in Chinese 1528 GMT 14 Nov 84

[By reporter Cai Qinghe]

[Text] Fuzhou, 14 November (XINHUA) -- Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, said in a letter to Xiang Nan, first secretary of the Fujian Provincial CPC Committee, that he hoped Fujian would vigorously popularize common speech.

In a letter to Xiang Nan dated 20 October, he said he had read a RENMIN RIBAO report that day on Guangdong's accelerating the popularization of common speech. He hoped that Fujian Province would also set up a work committee composed of only several persons under the Education Department or the provincial government to popularize common speech. He pointed out that like Guangdong's, Fujian's dialects are very complicated and are most different from common speech. Fujian is certainly capable of doing what Guangdong can do. Hu Qiaomu also said that without popularizing common speech, there will be many difficulties for Fujian in its external contacts and in doing business with people from outside the province.

After receiving the letter, Xiang Nan immediately wrote a letter instructing the Propaganda Department of the provincial CPC Committee to launch a campaign on using common speech more and dialects less.

The Propaganda Department convened a meeting of units concerned on 10 November to study ways to accelerate the popularization of common speech in Fujian Province. Meeting participants came up with many specific suggestions on popularizing common speech in Fujian. The major ones are: This campaign must be carried out with some momentum and persistence; party and government organs at all levels must urge party members and cadres to take the lead in popularizing common speech and make it the everyday language used in conducting official business, at meetings, and in receiving guests; schools must insist on making it the language of instruction, trade unions, CYL committees, women's federations, and other mass organizations must include the popularization of common speech in their work plans and organize the masses to study and popularize common speech; and a small but efficient organization should be set up to take charge of the organizational work of popularizing common speech.

HAN PEIXIN REPORTS ON JIANGSU ECONOMIC PROGRESS

OW191021 Beijing XINHUA Domestic Service in Chinese 1246 GMT 18 Nov 84

[By reporter Zhao Ming]

[Excerpts] Nanjing, 18 November (XINHUA) -- Han Peixin, secretary of the Jiangsu Provincial CPC Committee, said at the work conference of the provincial CPC Committee, which concluded today, that Jiangsu Province has achieved new progress in economic work with its annual industrial and agricultural output value expected to top 90 billion yuan this year, thus scoring the first of the "seven consecutive victories in 7 years" called for by Comrade Hu Yaobang.

When Comrade Hu Yaobang was on an inspection tour of Jiangsu early this year, a responsible person of the provincial CPC Committee reported to him on the province's place for doubling its industrial and agricultural production by the year 1990. Comrade Hu Yaobang said that it would be of great significance if Jiangsu continued to march ahead of other provinces in economic work in the next 7 years in the same way the East China field Army scored seven consecutive victories in the War of Liberation.

Jiangsu Province's total industrial and agricultural output value this year is expected to top 90 billion yuan, an increase of about 11 percent over last year. Industrial output value is expected to rise 13.5 percent over last year, and agricultural output value, 6.4 percent. The total output value of village and town enterprises is expected to top 20 billion yuan, up about 30 percent over last year. Financial revenues are expected to rise 20 percent over last year. People's income in both urban and rural areas is also expected to rise somewhat. The number of counties (including cities) whose annual industrial and agricultural output tops 2 billion yuan will rise from three in 1983 to five this year. The number of villages whose output value tops 100 million yuan is expected to reach 24 this year, compared with 7 in 1983.

Having achieved this first victory, the cadres and masses in Jiangsu are brimming with confidence in doubling industrial and agricultural output value in the 10 years from 1981 to 1990. They hold that, to achieve duplication by 1990, the province's total industrial and agricultural output value must increase at an average annual rate of 5.25 percent, to 30 billion yuan or more, in the next 6 years. As the province's output value increased at an average annual rate of 10.4 percent in the 4 years since 1980, the province will be able to achieve duplication ahead of schedule even if the average annual rate of increase is only 8 percent in the coming years.

Second, figures in this duplication effort are obtained from bottom to top, they are not derived from top to bottom. All levels, from the village up to provincial level, have their specific accounts and plans, and the figures are quite dependable. Third, the decision of the CPC Central Committee on the reform of the economic structure will certainly provide a strong boost to Jiangsu's economic development. We will certainly achieve a higher increase rate in the next few years as long as we carry out reform well. Currently, Jiangsu has adopted a series of measures to actively upgrade development in southern Jiangsu and accelerate development in northern Jiangsu, speed up technical innovations of enterprises, vigorously promote commodity production, help localities work out suitable ways of economic development, and promote economic coordination between urban and rural areas so that they will be able to achieve duplication hand in hand.

SHANDONG REPORT ON PROFIT-TAXATION REFORM

SK171130 Jinan Shandong Provincial Service in Mandarin 2300 GMT 16 Nov 84

[Excerpts] On behalf of the provincial People's Government, Guo Changcai, director of the provincial Financial Department, delivered a report on the provincial state enterprises' implementation of the system of substituting taxes for delivery of profits at the 10th session of the provincial People's Congress Standing Committee on the morning of 16 November. He said: Our province has achieved remarkable achievements in the first step of the substitution of taxation for profit delivery. The progress of the second step of the reform has been smooth since its overall implementation on 1 October.

Guo Changcai said: Practice shows that since the implementation of the first step of reform last year by 5,352 state industrial, communications, and commercial enterprises, fruitful results have been achieved. This proves that the reform orientation is correct. First, such reform has mobilized the enthusiasm of enterprises. Remarkable economic results were made. The output value of all state industrial enterprises which implemented the first step of reform increased 7.95 percent over the previous year. Their profits increased 11.27 percent and their profits and taxes handed over to the state increased 12.28 percent. Production, profits, and the amount of profits and taxes handed over to the state increased simultaneously. Despite a decline of 1 percent in the sales of commodities, commercial enterprises still saw an increase of 10.7 percent in profits and 4.16 percent in profits and taxes handed over to the state. Second, such reform has helped properly handle the relations of the state, the enterprises and the individuals, enabling the three parties to have a certain increase in their income. Last year, our province's state industrial enterprises which substituted taxation for profit delivery saw an increase of 12.28 percent in profits and taxes turned over to the state. These enterprises increased their income by 29.3 percent. Third, such reform has further strengthened supervision over financial and tax revenue work and improved the operational management levels of enterprises.

In order to ensure a sound development in the second step of substitution of taxation for profit delivery, at present, we should attend to increasing production and income, and strive to overfulfill this year's financial revenue task. In line with the regulations and methods of the second step of reform, we should further help enterprises end deficits and increase profits, observe financial and economic discipline in the spirit of party rectification, conscientiously implement all regulations of the second step of reform, strictly control financial expenditures, resolutely manage things in line with the budgets and regulations, and strive to balance or basically balance this year's revenues and expenditures.

SHANGHAI MILITARY TRANSFERS WORK TO CIVILIANS

OW181242 Beijing XINHUA Domestic Service in Chinese 0738 GMT 17 Nov 84

[By reporters Hu Shihong and Xu Zhimin]

[Text] Shanghai, 17 Nov (XINHUA) -- It is reported that Shanghai's military industrial departments have decided in the next 3 years to transfer to local enterprises scientific and technological achievements in 97 projects, and to cooperate with civilian departments to focus on the development of 4 modern technologies, namely, robots, infrared technology, solar cells, and optical fibers. For this, Shanghai's Military Industrial Departments have conducted thorough investigations and studies, and have completed a 3-year plan on transferring military industrial technologies to the civilian sectors.

Since the beginning of this year, Shanghai has held several meetings to study and lay out plans for the "military to civilian" work. It has set up a vice mayor-led leading group for work in this area, and a company to provide consultations on the application and development of military industrial technologies. They will deepen efforts and broaden the scope of work in this area. At present, Shanghai's military industrial departments have already transferred to civilian departments military industrial technologies in 363 areas, and have established technical cooperation with more than 1,500 civilian units.

Shanghai is an old industrial base with relatively high technological and industrial levels. However, the facilities and equipment of many light industrial, textile, and handicraft factories are obsolete, and the technologies they are using are out of date. They urgently need to be modified and improved. Proceeding from this situation, Shanghai's military industrial departments have been actively providing advanced equipment for use in technological transformation by civilian industries. They have manufactured on a trial basis a series of technological equipment requiring sophisticated operation techniques that will give a higher production efficiency. They also have directly transferred surplus military industrial equipment for civilian use, and provided civilian industrial departments with more than 1,300 technicians specializing in different fields.

Shanghai's military industrial departments have actively engaged in economical and technical cooperation with other units, provided them with technical consultation service, and helped them solve technical problems. So far, they have signed technical cooperation agreements with Fujian, Jiangsu, and Zhejiang Provinces. The Shanghai airplane manufacturing factory alone has established business relations with over 200 units.

REN WELCOMES VISITING PRC DIPLOMATS TO GUANGDONG

HK170533 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 17 Nov 84

[Excerpts] The fourth group of PRC diplomats to visit Guangdong arrived in Guangzhou by plane from Beijing yesterday evening. Guangdong Provincial CPC Committee First Secretary Ren Zhongyi went to the Baiyun Guesthouse to meet over 70 diplomats stationed in 50 countries and regions and warmly welcome them on their visit to Guangdong. He hoped they would inspect work in the province and give their valuable views on it. Vice Governor Yang Li and responsible comrades of the provincial foreign affairs office were also present. The visiting group will go to Foshan, Dongguan, Shenzhen, Zhuhai, and other places.

GUANGDONG HOLDS CONFERENCE ON MOUNTAINOUS AREAS

HK170205 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 15 Nov 84

[Excerpts] From 12 to 15 November the provincial CPC Committee and the provincial government held a conference on work concerning the mountainous areas. The conference emphatically pointing out that to speed up the development of the economy in the mountainous areas, we must clearly understand a guiding ideology, which is that policies must be more relaxed and more open, the state must provide the necessary assistance, and the mountainous areas must rely on their own efforts, must work hard, must bring the advantages of their own resources into play, and must enliven the economy.

Liang Lingguang, secretary of the provincial CPC Committee and governor, spoke at the conference. Lin Ruo, secretary of the provincial CPC Committee, made a summing up of the conference. Du Ruizhi and Ling Botang, members of the provincial CPC Committee Standing Committee, attended the conference.

Why does the economy in the mountainous areas not develop as quickly as that of the plains? The comrades present at the conference universally held that the people's minds are not sufficiently emancipated. Policies are not relaxed sufficiently. Mountainous areas are not open enough to outside world. This is the main reason. At the conference the participants discussed certain problems concerning policies on speeding up the development of the economy in the mountainous areas.

The mountainous areas abound in resources. To give full play to these advantages, we must speed up the development of the economy in the mountainous areas.

Station Commentary

HK170212 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 15 Nov 84

[Short station commentary: "To Open and Relax More in Order To Allow Mountainous Areas in Our Province To Get Rich as Soon as Possible"]

[Text] Our province has 43 counties in the mountainous areas, whose area accounts for half the total area of the whole province and whose population accounts for one-third of the total population of the whole province. They have very great potentials for developing the economy. However, for a long time they have been affected more deeply by leftist influences and implemented policies too rigidly. In addition, communications are poor, there was a shortage of funds, and technology is backward. Many difficulties existed in the development of the economy.

To speed up the development of the economy in the mountainous areas and to enable the mountainous areas get rich as soon as possible, policies must be more relaxed and open.

In view of this, the provincial government has formulated some specific regulations on speeding up the development of the economy in the mountainous areas. The most important thing is to relax policies on private mountains. The provincial CPC Committee and the provincial government have demanded: All places must unswervingly hand over to the peasants decisionmaking power to manage mountains and forests so as to allow the peasants to become masters of the mountains and forests. This is a policy which should begin immediately.

Some comrades are worried that after the mountains and forests are assigned to peasants, the phenomenon of damaging the forests will occur. We must believe that so long as we strengthen education for the masses and implement correct policies, peasants will become real masters of the mountains and forests and will correctly handle the relationship between immediate interests and long-term interests. They will surely cherish forestry resources.

To give play to the advantage of the subtropical zone where the mountainous areas in our province are situated and to thoroughly change the situation in regarding grain as the key link, in light of local conditions we must boldly readjust the arrangements for crop cultivation, must be more open to the outside world, must speed up economic cooperation between the mountainous areas and foreign countries, must vigorously utilize foreign capital, must import advance technology and equipment, must create a good environment for investment, and must strengthen the attraction of foreign capital. These are all the problems of developing the economy in the mountainous areas which cannot be ignored.

HENAN CIRCULAR URGES IMPROVING FOOD SUPPLIES

HK190455 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 18 Nov 84

[Text] Recently the provincial Economic Committee has issued a circular urging various prefectures and cities to seriously do well in supplying goods for 1985 New Year's Day and the Spring Festival.

The circular says: Financial and trade departments at various levels must guide and work out plans in a unified way to strive to supply goods for New Year's Day and the Spring Festival better than last year. The quality of service should be better than last year. They must also do well in supplying grain, oil and nonstaple foods; organize more agricultural and sideline products to be transported into cities; grasp well purchasing work; and deliver goods to be upper levels according to schedule. They should make arrangements for the rural markets and transport more industrial products to the rural areas. In addition, we should give priority to the rural areas for the supply of industrial products which are required both by the urban and rural areas.

The circular says: New Year's Day and the Spring Festival are periods when the masses put large amounts of money into circulation. Therefore, we urge all localities to increase the number of sales outlets in accordance with local conditions. The localities should also readjust their business hours in order to make things convenient for the masses. We must provide delivery services for workers who still work during the festivals, the families of army men and martyrs, retired aged cadres, handicapped people, and the sick. The service industry should introduce more service items and improve public health conditions. All state-run retail units and collective and individual shops must sell goods at marked prices. Financial and trade departments and [words indistinct] at various levels must [words indistinct]. From now on, we should carry out the system of contracted responsibilities on an individual basis and strengthen the administration over prices, industry and commerce. Commercial, financial and trade, and grain departments should carry out price checkups, strengthen their administration over the markets, seriously deal with practices which violate regulations, and really protect the state, collectives and consumers.

HENAN LEADER ON REGISTRATION OF PARTY MEMBERS

HK170249 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 16 Nov 84

[Excerpts] On the morning of 15 November, the provincial CPC Committee's party rectification work office convened a meeting of responsible comrades of the first batch of units carrying out party rectification, at which Comrade Zhao Di gave a summation and outlined arrangements for the work. He demanded that these units do a good and serious job of organizational measures and the registration of party members. Comrade Liu Zhengwei presided and spoke. Lin Yingcai and Chen Hongliang, deputy directors of the provincial CPC Committee's Party Rectification Office, attended.

Comrade Zhao Di first summed up work in the stage of rectification and correction. He said: Generally speaking, rectification and correction has developed healthily and has yielded outstanding results. He said: Under the stimulus of party rectification, the province has done very well in industrial and agricultural production this year. According to statistics, total industrial output value from January to October was 21.503 billion yuan, a rise of 11.8 percent over the same period last year. Profit of enterprises covered by the budget rose by 16.2 percent, while financial revenue was up by 14.2 percent. A good agricultural harvest is expected despite serious autumn flooding.

On switching to the state of organizational measures and registration of party members in party rectification, Comrade Zhao Di said: We must clearly realize that the development of party rectification is very uneven in the different units. A few units have not scored much success. Problems of certain leadership groups have not been solved well. Some units are afraid of difficulties, act half-heartedly, and are filled with misgivings in dealing with people involved in using power for private purposes and pursuing bureaucratism. They have not acted seriously in investigating and dealing with such cases. Some units have not got a good grasp of checking on people of three categories, and the progress of verifying such people is slow. There is still great factional interference in some units. These units must seriously make up for the lessons they have missed and continue to grasp rectification and correction. Those that fail to meet the criteria and to gain the acceptance standards set by the upper levels cannot switch to the next stage.

Comrade Zhao Di said: The methods and steps in carrying out organizational measures and registration of party members can be divided into four steps, in light of the experiences of the provincial textile industry department and food bureau: study of documents, individual performance summation, organizational measures, and registration of party members. Generally speaking this stage can take about 1 month. The units carrying out party rectification must formulate specific plans based on their own actual conditions and do a thoroughly sound and effective job in completing the tasks of this stage.

We should focus on conducting ideological education for the party members and on deciding which party members should have their registration deferred, which should not be registered, and which should be punished. It is essential to seek truth from facts, without exaggeration or understatement, in individual performance summation and deciding on measures. In carrying out organizational measures on party members who made mistakes, it is necessary to strictly observe the procedure stipulated by the party constitution and the provisions stipulated by the Discipline Inspection Departments. The facts and evidence must be clear, the decisions accurate, the measures appropriate, and the procedure properly followed. The work must be able to withstand the test of history.

Comrade Zhao Di said: The provincial CPC Committee demands that the party organizations of all units carrying out rectification tangibly strengthen leadership over this stage in rectification and provide careful organization and guidance. They must promptly study and help to solve problems that crop up. Attention must be paid to eliminating excessive tolerance, fear of difficulties, weakness, and similar tendencies; we must dare to grasp and take charge of things and to tackle difficult problems. When necessary party members should be expelled, punished, advised to leave, or have their registration deferred, as appropriate. Special attention must be paid to guarding against registering party members without first considering the matter carefully, which might occur. We must constantly grasp the state of implementing principle and policies and must certainly not adopt a laissez-faire approach.

We must insist on the criteria for party members and strictly grasp the policies. We should take a discriminatory attitude regarding mistakes and problems of party members and leading party-member cadres during the Cultural Revolution, except those concerning people of three categories. Ordinary errors will not be raised again as problems. This time we must reach conclusions on and handle people who made serious mistakes and who have not yet had conclusions reached on their cases or been dealt with. Those who have had conclusions reached and have been dealt with will not be dealt with again, if no major new problems have occurred. Although it is not necessary to reach conclusions and deal with certain comrades who made mistakes, the masses have strong views about them. Such comrades must carry out serious self-criticism.

People of three categories must in principle be expelled from the party, except for those whom long testing has proved to have truly mended their ways. People who have stubbornly resisted the central line since the 3d Plenary Session of the 11th CPC Central Committee, people who have committed serious economic and other crimes, and others who have seriously violated law and discipline must all be expelled from the party.

With regard to a few who cling to their erroneous political stand and refuse to correct it, apart from waging serious criticism and ideological struggle against them, we must also impose the necessary organizational discipline on them. The necessary punishment must also be meted out to bureaucrats who have been seriously derelict in their duty, to the extent of dismissing them from their posts or from the party.

In dealing with problems of using powers for private purposes, we must grasp the following principles: In general they will not be held responsible for problems that occurred before the promulgation of the guidelines on inner-party political life; it is sufficient if they themselves examine ordinary problems that occurred after the promulgation of the guidelines; and those involved in serious cases must be held responsible.

Comrade Zhao Di demanded that all units carrying out party rectification closely integrate rectification with implementing the spirit of the 3d Plenary Session of the 12th CPC Central Committee. They should ensure that party rectification, reforms, economic work, and all other work stimulate and promote each other.

GUAN ON INVIGORATING HUBEI LARGE PLANTS, CITIES

HK180236 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 17 Nov 84

[Excerpt] On the afternoon of 15 November, provincial CPC Committee Secretary Guan Guangfu said during an investigation and study in Huangshi City: In implementing the CPC Central Committee decision on reforming the economic structure, we must get a good grasp of the cardinal link, invigorating the enterprises. In particular we must invigorate the large and medium enterprises.

The key cities must serve the large enterprises. At the same time, advantage should be taken of the superior features of large plants to develop the local economy. This is an important guiding principle.

Comrade Guan Guangfu and Comrade Li Haizhong, member of the Standing Committee of the provincial CPC Committee and director of the Economic Work Department, have led an investigation and study group to Huangshi City, arriving there on 13 November. They listened to work reports from the city CPC Committee and government and inspected the Daye steel plant, (Huaxin) cement plant, a Hubei tractor plant, and other large and medium enterprises. They also convened a forum of responsible persons of some large plants in the city.

Comrade Guan Guangfu pointed out during his investigation: Most large enterprises are key state projects, and occupy an important position in the national economy. The key cities must do well in serving them, ease their worries and difficulties, and create excellent production conditions and living environment for them. Thus production conditions and living environment for them. Thus production in the large enterprises will continually develop and their economic results will continually improve, and they will make new contributions to the four modernizations. This in itself constitutes support for key state projects. Huangshi City has already made important contributions in this respect. In the future the key cities must continue to work hard and regard serving the large enterprises as a major task.

Comrade Guan Guangfu said: Large enterprises are precious treasures of the state. The hopes of Huangshi City for achieving quadruplication are also pinned on them. We must eliminate the idea of regarding as burdens certain problems of the large enterprises in their daily life. We must take full advantage of the superior features of large plants in talent, technology, equipment, products, and sales, and lead forward local small factories and develop local economy by economic methods such as diffusing production, promoting economic cooperation, organizing technical consultation, popularizing the fruits of science and technology, and so on. We must consider problems from the strategic plane of developing the economy.

HUNAN RESERVE LAND FORCE DIVISION ESTABLISHED

HK170345 Changsha Hunan Provincial Service in Mandarin 1100 GMT 16 Nov 84

[Excerpts] The first reserve land force division of Zhuzhou City, the first such unit in Hunan, held a solemn establishment ceremony and parade today. Commander You Taizhong presented an Army banner and reviewed the unit. (Shi Yanhong), deputy commander of Hunan Military District, presided over the ceremony. Guangzhou Military Region adviser Huang Ronghai read out the order establishing the division. Commander You Taizhong presented an Army banner. (Gu Shanqing), political commissar of the provincial Military District, read out the order appointing the cadres of the reserve division.

Mao Zhiyong, first secretary of the provincial CPC Committee and first political commissar of the provincial Military District, made a speech. Other speakers included Zhou Cun, deputy director of the Mobilization Department of the General Staff Department; and (Tao Guochun), secretary of the Zhuzhou City CPC Committee and first political commissar of the reserve division. You Taizhong, Mao Zhiyong, and provincial Military District Commander Jiang Jinliu reviewed the unit in an open car. The mechanized force of the division includes mobile artillery, rocket launchers, and antiaircraft guns, demonstrating that the division possesses combat capability.

NEI MONGGOL'S BU HE ON ECONOMIC, IDEOLOGICAL WORK

SK170507 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 16 Nov 84

[Excerpts] From 15 to 16 November, organs directly under the regional CPC Committee held a meeting of representatives to study ways to strengthen the party's ideological and political work and to ensure the smooth progress of the urban reform. The meeting also elected representatives from the regional organs to attend the fourth regional CPC Congress. Leading comrades of the regional CPC Committee, including Bu He, Liu Guiqian, Li Xiangyi, and Xu Lingren, and Wang Duo, Lin Weiran and Shen Xinfu, responsible comrades of the Preparatory Group of the regional Advisory Commission, as well as comrades of the liaison group of the Central Commission for Guiding Party Rectification attended the meeting to extend congratulations. Comrade Bu He gave an important speech.

Tian Congming, Standing Committee member of the regional CPC Committee and secretary of the CPC Committee of the organs directly under the regional CPC Committee, delivered a work report entitled "Attend to the Work of the CPC Committee of the Regional Organs, Strengthen Ideological Education, and Ensure the Smooth Progress of the Urban Reform."

In the speech he delivered at the meeting, Bu He, deputy secretary of the regional CPC Committee, stressed: We should conscientiously study the decision of the CPC Central Committee on reforming economic structure, strengthen unity, carry out the four modernizations drive wholeheartedly and soundly, and continue to create a new upsurge in the region's socialist modernization program.

Comrade Bu He said: We should integrate the study of the central decision with the elimination of leftist influences and with our work and ideology, earnestly review the path we have traversed in the course of reform, enhance our understanding, and decide what to do next. While studying the decision, we should also conduct investigations and study, conscientiously study what the masses have in mind, how to enhance their initiative in implementing the decision and what problems will emerge in their work, and help them solve problems correctly. We should acquire a better understanding of the situation in the grassroots units, keep pace with reform, strive to take the initiative and guard against finding ourselves in a passive position.

Comrade Bu He said: At present, we are in a historical period in which there will be cooperation of old and new cadres and succession of the new to the old. Unity among old and new cadres is very important. He said: First of all, we should study the decision well and unify our thinking in regard to the decision and the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee. This is an ideological foundation for achieving unity. Unifying thinking and carrying out the four modernizations drive with one heart and one soul is the best way to achieve unity. Old and new cadres should realize their own mistakes and correctly assess themselves, notice other people's strong points, and find out their shortcomings. Cadres at all levels should consider selecting and promoting people of the new generation to important posts as their common task, emancipate thinking, use competent and virtuous persons, and boldly let young comrades assume leading work. New and old cadres should focus their attention on the objective of quadrupling the total industrial and agricultural output value by the end of this century, always keep this issue in mind, and eliminate incorrect ideas. It is necessary to take the whole situation and overall interests into account, treasure the current excellent situation, carry out the four modernization drive soundly, and work with concerted efforts to make improvements in all areas of work in the region.

TIANJIN'S NI ZHIFU ATTENDS MARTYR CEREMONY

SK190358 Tianjin City Service in Mandarin 0030 GMT 19 Nov 84

[Excerpts] Saturday, 24 November, will be the 50th anniversary of the death of martyr Ji Hongchang, noted national hero and a fine Communist Party member.

In order to recall General Ji Hongchang's heroic and outstanding deeds, a ceremony to unveil an inscribed memorial plaque to martyr Ji Hongchang was held at his former residence, a small red building located at No 4 Huayuan Road, Heping District, Tianjin Municipality, on the morning of 18 November. Martyr Ji Hongchang had once engaged in the work of waging the struggle against Japan for 4 years at his residence.

Amidst the thick white snow, Ni Zhifu, member of the Political Bureau of the CPC Central Committee and secretary of the Tianjin Municipal CPC Committee, unveiled the red velvet cloth on the inscribed memorial plaque. Seven gilded large characters, "The Former Residence of Martyr Ji Hongchang" were presented.

Attending the ceremony were Zhang Zaiwang, deputy secretary of the municipal CPC Committee and chairman of the Standing Committee of the municipal People's Congress; Lu Sa, vice chairman of the Standing Committee of the municipal People's Congress; Wang Enhui, vice chairman of the municipal CPPCC Committee; and responsible comrades of the Tianjin Garrison District and the PLA units stationed in Tianjin.

HEILONGJIANG CPC COMMITTEE HANDLES POWER ABUSES

OW171005 Beijing XINHUA Domestic Service in Chinese 0257 GMT 13 Nov 84

[By correspondent Hou Yunzhang and reporter Ren Yongda]

[Excerpts] Harbin, 13 Nov (XINHUA) -- In the course of party rectification, the Heilongjiang Provincial CPC Committee has dared to uphold principles and deal with serious bureaucratic styles of work and abuses of power for personal gain, thus bringing about a turn for the better in the party's work style throughout the province. By the end of October, most of 144 such cases in our province placed on file for investigation and prosecution had been thoroughly investigated, and over half had been dealt with. Of the 40 major cases investigated under the direct guidance of the provincial CPC Committee, 31 had been dealt with.

Since party rectification started at the provincial level, the provincial CPC Committee has repeatedly emphasized the need for those units to comprehensively fulfill the four tasks of party rectification to a high standard, and urged them, while paying close attention the most important task of unifying thinking, to make a determined effort to straighten out the party's work style. With the deepening of party rectification, and as the investigation of serious bureaucratic styles of work, abuses of power, and other problems went on, a number of grave problems which the masses complained about most and which had a very bad influence have been exposed in various units. Because leading cadres were involved in some cases and, in others, the persons concerned were protected by leading cadres, investigation has met strong resistance. For this reason, the provincial CPC Committee convened a meeting in mid-May, and decided that principal leading party leaders of the units should divide responsibility for the investigation of those grave irregularities which had been rather difficult to investigate. They were instructed to thoroughly investigate, and use the results of their investigation as a point of penetration in party rectification. The principal leaders of the provincial CPC Committee took the lead in implementing the decision of the provincial CPC Committee. Secretary Li Lian presided over two Standing Committee meetings of the provincial CPC Committee to hear the investigative reports prepared by the leading party groups of the eight units, including the provincial General Bureau for Forestry Industry and the provincial Construction Commission, which were plagued by many problems. He also gave specific suggestions on the investigation of every problem.

While personally taking part in the investigation of a serious bureaucratic style of work and abuse of power, leading comrades of the provincial CPC Committee found that investigation met resistance in some cases, because leading cadres lacked the courage to uphold principles and, in some instances, the policy was not properly understood. In this regard, the provincial CPC Committee, after research and discussion, pointed out that, in investigating grave problems, it is essential to uphold the principle of seeking truth from facts, and have a earnest grasp of the policy. It is necessary to make a distinction between violations of law and discipline and common irregularities, and between heavy losses caused by irresponsible bureaucrats and ordinary mistakes made in work and reform. The provincial CPC Committee also announced that it is permissible to, on the merits of the case, give light punishment to erring cadres who have voluntarily examined and corrected their mistakes. Cadres who conceal and even shield each other's mistakes, or continue their wrongdoing while party rectification is going on, should be severely punished once they are caught. In dealing with ordinary mistakes in ideology and work style, it is necessary to stress education in party discipline, work style and spirit. These policy regulations have helped dispel the various ideological misgivings of our comrades, provided a criterion for investigating and dealing with the problems regarding the work style of the party, and exerted a sound influence in promoting the investigation of grave irregularities.

SHENYANG MILITARY NEGATES CULTURAL REVOLUTION

SK190434 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 17 Nov 84

[Excerpt] On the afternoon of 17 November, the provincial CPC Committee held a report meeting at the Liaoning People's Theater in Shenyang City to listen to the report given by responsible comrades of the Shenyang Military Region introducing their experiences in totally negating the Great Cultural Revolution in the party rectification drive.

Attending the meeting were secretaries of the provincial CPC Committee, including Dai Suli, Sun Weiben, and Xu Shaofu; Chen Suzhi, Standing Committee member of the provincial CPC Committee; Yue Zongtai, deputy leader of the liaison group stationed in Shenyang City and dispatched by the Central Commission for Guiding Party Rectification of the CPC Central Committee; and leading comrades and party-member cadres from various units under the provincial level organs -- more than 2,000 persons in all. At the meeting, Cheng Zemin, deputy political commissar of the Shenyang Military Region, delivered a speech introducing the region's experience in totally negating the Great Cultural Revolution and in adopting a correct attitude toward the movement of three supports and two militaries while launching the party rectification drive.

Deputy Political Commissar Cheng Zemin stated: In the course of the party rectification drive, the Shenyang Military Region has achieved a further understanding of the issues of three supports, two militaries, and others through conducting education on negating the Great Cultural Revolution. The region has concentrated on investigating the negative consequences cropping up in the movement of three supports and two militaries and has dealt with the problems of factionalism and organizational impurity that cropped up in the military region, resulting in eradicating the leftist influence caused by the Cultural Revolution.

In his speech, he introduced several measures adopted by the military region in totally negating the Great Cultural Revolution, chiefly thoroughly negating the Cultural Revolution in the fields of theory, ideology, and sentiment and pounding at the theory of continuing the revolution under the dictatorship of the proletariat.

By bearing the actual situation in mind, the organs and units of the Shenyang Military Region organized special discussions among party members on the major problems that cropped up in the Cultural Revolution which had exerted tremendous influence and involved a large number of people, in order to unify understanding and to eliminate negative influence. Leading cadres also took the lead in seeing themselves in relation to the negative influence, consciously strengthening out their ideology, and in actively assuming responsibility. Meanwhile, they resolutely abandoned leftist measures, strictly gained a good grasp of party policies, and placed the focus of education on dealing with practical problems. They also upheld the principle of conducting guidance and refraining from scraping the past in all cases and upheld the principle of seeking truth from facts and refraining from conducting exaggerated criticism. They paid attention to distinguishing mistakes in general cases as cases of three-category elements and mistakes that were caused by implementing higher-level directives and were caused by personal wrongdoings, and to distinguishing the ordinary difference of opinions from the perpetration of factionalism.

At the meeting, Comrade Sun Weiben, secretary of the provincial CPC Committee and director of the office in charge of party rectification under the provincial CPC Committee, also delivered a speech in which he stated: The experience has general significance which was introduced at the meeting by Cheng Zemin, deputy political commissar of the Shenyang Military Region, as the military region's party committee and organs totally negated the Great Cultural Revolution in the party rectification drive, eliminated factionalism to strengthen party spirit, and adopted a correct attitude toward the movement of three supports and two militaries, which will certainly play a guiding and enlightening role in conducting the party rectification work among the provincial level organs or throughout the province.

SHENYANG COUNTY OFFICIAL DISMISSED FOR CORRUPTIONSK190412 Shengyang Liaoning Provincial Service in Mandarin 1030 ~~CT~~ 18 Nov 84

[Text] (Zhang Ji), former deputy secretary of Xinmin County CPC Committee and Chairman of the Standing Committee of the county People's Congress, was dismissed from the party and relieved of his post as chairman of the Standing Committee of the county People's Congress last August for abusing his power and position in appropriating state and collective property, extorting and accepting bribes, and shielding and promoting to leading posts those who have serious problems.

In the spring of 1981, (Zhang Ji) appropriated 9,000 pieces of red brick on several occasions to build a private house without paying anything with the help of (Fu Guolin), former party branch secretary of the county red brick plant. That same summer, (Yang Fushan), former party branch deputy secretary and director of the county ceramics plant, allocated manpower and materials to help (Zhang Ji) build his house. In addition, (Zhang Ji), also accepted (Fu Guolin's) and (Yang Fushan's) pork, beef, and dried bean curds which they had taken from their units, embezzling collective property and extorting and accepting bribes totaling some 930 yuan renminbi. After accepting bribes from (Yang Fushan) and other persons, (Zhang Ji) defied party discipline and the state law and wantonly shielded their illegal and criminal activities.

(Yang Fushan) was guilty of the serious mistakes of beating, smashing, and looting during the Cultural Revolution. While working in the county ceramics plant, he was imperious and despotic. He discriminated against those who held different views, squandered and wasted state funds and materials, and embezzled and accepted bribes worth some 5,900 yuan. Due to (Zhang Ji's) protection, the illegal and criminal acts of (Yang Fushan) were not handled for a long time. This has created bad feelings among the masses.

The provincial Discipline Inspection Commission recently issued a notice on the mistakes of (Zhang Ji). The notice points out: Since the unfolding of party rectification, cases of serious bureaucracy and abusing one's power to seek private gain have been uncovered in various localities. The CPC committees and discipline inspection commissions at all levels should organize a task force to investigate and handle major cases in line with the principles of making rectification and corrections simultaneously and making corrections before rectification, straighten out party style, and readjust leading bodies through investigating and solving cases.

QINGHAI'S ZHAO HAIFENG, OTHERS STUDY CPC DECISION

HK170456 Xining Qinghai Provincial Service in Mandarin 1100 GMT 15 Nov 84

[Excerpts] On the basis of the study of the decision of the CPC Central Committee of reforming the economic structure at the previous stage, leading comrades of the provincial CPC Committee and the provincial government collectively studied it from 5 to 8 November. They thoroughly understood the spirit of the document and made ideological preparations for speeding up reform of the economic structure in our province.

Through their study, the leading comrades held that carrying out reform of the economic structure as a whole with a focus on the urban economy is a profound change in production relations and the superstructure under the premise of adhering to the socialist system. Doing well in this reform of the economic structure will accelerate progress in our country's socialist modernization and will develop the social productive forces even more quickly so as to enable people of all nationalities get rich.

Comrade Zhao Haifeng, secretary of the provincial CPC Committee, said: At present the major task is to study the decision well. On the basis of understanding the spirit of the document, we must conduct investigation and study. In light of the actual situation in our posts, departments, and units, we must put forward views on implementing the decision.

In the course of study, they all held: To do well in grasping the study of the decision, we must now pay attention to three aspects of work:

1. It is necessary to fully understand the important actual guiding role of the decision and its long-term historical significance and to enhance conscientiousness for study.
2. It is essential to link the study of the decision with ideological realities, to destroy the old, and to establish the new.
3. In studying the decision, it is imperative to have a sense of urgency. There is a process of cognition in absorbing new ideology. However, we cannot use it as a pretext for not stepping up study. We must therefore strengthen our sense of urgency for study and must make the best use of our time to seriously study the decision.

SHAANXI'S LI XIPU ON PARTY RECTIFICATION TASKS

HK170543 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 16 Nov 84

[Text] Provincial CPC Committee Secretary Li Xipu stressed at a forum of pilot project units in the second phase of party rectification: When handling the question of closely integrating party rectification with reform of the economic structure, it is first necessary to closely integrate the contents of study in these aspects.

He pointed out: The Central Committee decision on reforming the economic structure must be regarded as an important document for study in party rectification. At the same time, in conjunction with party rectification, it is necessary to study the main points of the talk of a responsible central comrade on readjusting the principal responsible person of the Shaanxi Provincial CPC Committee, and Comrade Hu Yaobang's important views on work in the province delivered when meeting with Provincial CPC Committee Secretary Comrade Bai Jinian.

Second, it is necessary to achieve close ideological integration. This means completely unifying the thinking of the whole body of party members with the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee and with the spirit of the 3d Plenary Session of the 12th CPC Central Committee. We must do still better in maintaining a high degree of political and ideological unity with the CPC Central Committee.

Third, we must closely follow reality. Study of both the decision on party rectification and the decision on reforming the economic structure must be done in close integration with reality and with reform of the economic structure. We must correct our guiding ideology, resolutely eliminate leftism and discard old concepts, brace our spirits for reform, and strive to promote the province's economy.

XINJIANG'S TOMUR DAWAMAT REVIEWS RECTIFICATION

HK161459 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 15 Nov 84

[Text] This afternoon, at a meeting of responsible cadres of party rectification guidance groups of all big departments of the regional authorities, Tomur Dawamat, secretary of the regional CPC Committee, delivered a speech in which he stressed that after the first batch of units which carried out the first-stage party rectification moves to the rectification and correction stage, it is necessary for them to further understand the guiding ideology of rectification and correction so as to completely fulfill all tasks in the rectification and correction stage.

After reviewing the first-stage party rectification in the region, Tomur Dawamat said: On the whole, the first-stage party rectification in the region, whether in the first or second batch units, was smooth and healthy, and reached a high standard and met requirements. The existing problems are: Some units fail to firmly grasp party rectification, resulting in the slow progress of the work; some units fail to seriously investigate and deal with the cases of taking advantage of one's power to seek private interests; and some units fail to conduct education of thoroughly negating the Cultural Revolution well.

While talking about the next step of the work, Comrade Tomur Dawamat said: It is necessary, closely centered on fulfilling the party's general task and target, to genuinely create a new situation in the work of big departments and further resolve the problem of correcting the guiding ideology of professional work. It is necessary to further conduct education in thoroughly negating the Cultural Revolution and the two factions in the Cultural Revolution, to eradicate factionalism in a down-to-earth manner, and to strengthen party spirit. It is necessary to further investigate and deal with the problems of causing heavy losses to the state economically and politically as a result of bureaucratic practices and the practice of taking advantage of one's power to pursue personal interests. In concentrated rectification and correction, it is necessary to treat the establishment of leading bodies as an important problem and properly resolve it. The first and second batch of units which carry out party rectification must concentrate their efforts on comparison and examination.

Tomur Dawamat said: All units which carry out party rectification must make reasonable arrangements, firmly grasp the work, do their utmost to accelerate the tempo of the work, and strive to basically fulfill the region's first-stage party rectification before the spring festival next year.

XINJIANG COMMISSION DISCIPLINES CORRUPT CADRES

HK161329 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 15 Nov 84

[Text] Not long ago, the regional Discipline Inspection Commission severely dealt with the mistake made by the regional Economy and Trade Department in causing heavy economic losses to the state by indulging in bureaucratic practices and taking advantage of its own power to seek private ends, and unscrupulously issuing bonuses and subsidies.

Last year, the food and native products import and export company under the regional Economy and Trade Department exported some 8,000 tons of garlic. Due to their bureaucratic practices, some cadres failed to guarantee the quality of the garlic and failed to check its packing and delivery. Consequently, the garlic became rotten, causing economic losses of some 4.5 million yuan. Before having a clear understanding of the quality, use, and market of Xinjiang's (shifacai), the native products section of the company purchased some 45 tons of (shifacai) in 1982, causing economic losses of some 310,000 yuan to the state.

The regional Discipline Inspection Commission decided to give a serious inner-party disciplinary warning to (Xiang Yuhong), former manager of the food and native products import and export company who should bear the main responsibility for the losses, to give inner-party disciplinary warnings to Lei Jili, deputy manager of the company, Zhou Min, chief of the native products section of the company, and Zhu Shengxiu, deputy chief of the native products section of the company.

In December 1982, the former regional Foreign Trade Bureau, under circumstances where the transfer of personnel in the country's foreign trade department was suspended, submitted a report to apply for the transfer of people into Xinjiang by reason of resolving special difficulties of the sons and daughters of some staff and workers of the region's Foreign Trade Department. The former Ministry of Foreign Trade approved a quota for transferring in 23 persons. Of the 19 persons who have been transferred into the department under the quota, most were appropriated by party member cadres of the bureau, section, company and office levels.

The regional Discipline Inspection Commission decided that the 13 sons and daughters of the cadres who were disqualified from being transferred to the department should be returned to their original places. The regional Discipline Inspection Commission decided to give inner-party disciplinary warnings to (Liang Tongshi), deputy director of the former regional Foreign Trade Bureau, and (Liu Benchu), deputy chief of the political section, who should bear the main responsibility.

The regional Discipline Inspection Commission also dealt with 11 party-member cadres of the economy and trade department who made mistakes in arbitrage, and ordered them to pay the price differences and imposed fines on them. The regional Discipline Inspection Commission also severely dealt with the serious mistake of the regional Economy and Trade Department of unscrupulously issuing bonuses and subsidies in 1983.

Station Commentary

HK161330 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 15 Nov 84

[Station commentary: "Earnestly Investigate and Handle Cases of Serious Bureaucratic Practices and the Practice of Taking Advantage of One's Power To Pursue Private Interest Interests"]

[Text] The regional Discipline Inspection Commission has taken intra-party disciplinary measures against some party-member cadres of the regional economy and trade department who have caused economic losses of several million yuan to the state as a result of their power to pursue private interests. These disciplinary measures are absolutely correct and will certainly be supported by the vast number of party members and the masses.

We are now carrying out a reform of the entire economic system, focusing on urban reform. One of the important tasks in economic reform is to rectify various defects that are unsuited to economic development and that hinder the four modernizations, including serious bureaucraticism and the practice of taking advantage of one's power to seek private interests that are detrimental to the state and people. In party rectification it is necessary to earnestly investigate and deal with cases of serious bureaucratic practices and the practice of taking advantage of one's power to seek private interests.

In Circular No 9, the Central Commission for Guiding Party Rectification explicitly pointed out: It is a part of rectification and correction to deal with cases of serious bureaucratic practices and the practice of taking advantage of one's power to seek private interests. At present some units fail to deal effectively with such cases. Some leaders are full of worries and do not dare to tackle tough problems. Some fear that their own problems will become involved in the process of dealing with the cases. Some do not dare to offend others and tolerate other's mistakes if the third party pleads for mercy. Some cases which should be dealt with cannot be dealt with. Some units only pay lip service to fighting against bureaucratic practices and the practice of taking advantage of one's power to seek private interests. They pay attention only to appeals but fail to resolve practical problems. If a case involves several units, the concerned units air their own views and shift responsibility on each other. This practice itself is bureaucratic. It is impossible to fight against bureaucracy by bureaucratizing. In units where party rectification has been carried out, party organizations must pay full attention to the exposed cases of serious bureaucratic practices and the practice of taking advantage of one's power to seek private interests, seriously investigate and verify the cases, and severely deal with the people concerned according to party discipline, administrative discipline, and state law. It is absolutely impermissible to adopt a tolerant attitude.

WANG ENMAO ATTENDS XINJIANG RAILROAD CEREMONY

HK180308 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Nov 84

[Excerpts] The No 69 and 70 trains of the passenger transport section of Urumqi Railway Bureau have scored outstanding success in transport work, for which they have been awarded the glorious title of Red Flag trains by the Ministry of Railways. This afternoon, the Urumqi Railway Bureau held a solemn gathering to celebrate the award of this title and to present a banner. Responsible comrades of the regional party and government Wang Enmao, Tomur Dawamat, Qi Guo, and Hedeerdai attended the gathering. Regional CPC Committee First Secretary Wang Enmao made a speech.

RENMIN RIBAO ON TAIWAN'S HSINCHU INDUSTRIAL ZONE

HK161445 Beijing RENMIN RIBAO in Chinese 12 Nov 84 p 3

[Article by Wei Xingye: "The Origin and Development of the 'Hsinchu Science and Industry Zone'"]

[Text] The "Hsinchu Science and Industry Zone" is an industrial zone which Taiwan built on the model of the United States' "Silicon Valley," with the aim of developing science, technology, and industry. Based on the specific local conditions, in 1976 the Taiwan authorities began planning the projected Taiwanese "Silicon Valley" -- the Hsinchu Science and Industry Zone" (hereinafter called "zone" for short). Located in the southeastern suburbs of Hsinchu City, the zone was officially inaugurated in October 1980. After 3 years' development, the zone is now "roughly in shape." A total of 63 firms have obtained permits to invest in the zone and 45 of them have already set up plants and started operations there. In 1983 the zone exported various products including integrated circuits and computers with a total value of some \$100 million. When the development project is completed in 1989 as scheduled, the zone will cover a total area of up to 2,000 hectares and will accommodate a total of 150 enterprises engaging in scientific and technological development.

The Origin of the "Zone"

The two oil crises in the 1970's gradually deprived Taiwan of its superiority in the traditional processing industries surviving on a cheap labor force and brought about a rare and serious economic recession. The new technological revolution emerging in the world since the beginning of the 1980's has had a powerful impact on Taiwan. Such being the case, Taiwan is bound to lose more competitive power and its economic development will be dampened if the island continues to concentrate its efforts on the development of labor intensive industries as it did before. So, the Taiwan authorities decided to launch the "zone" project as an "important means" to facilitate an "industrial upgrading" and a "scientific and technological upgrading" and to speed up economic development. If the project run in the "zone" as a "giant" laboratory" proves successful, the experience obtained from the project will be popularized to introduce a "radical transformation of industry."

Taiwan's original idea was to "expedite industrial development by promoting scientific research." However, in view of the unduly poor scientific and technical conditions, the original idea was later replaced by that of "expediting scientific research by industrial development." The major means of achieving this latter idea is to set up a Taiwan-type scientific and industrial zone. It has been said that the program may "provide a very favorable environment to investment and research which can help to introduce science and technology intensive industries and attract senior professional people." Under this program, Taiwan will be able to "secure sophisticated technology and train its own senior professional people by running product-development and design projects." Thus, Taiwan will be able to "give full play to the role of scientific and technological transplanted as a medium for inspiring the improvement of the local industrial structure."

The principal reason that the suburbs of Hsinchu City were selected as the site for the zone is that the place can be easily reached by sea, by land, and by air; and quite a few universities, colleges, and scientific and technological institutes including Chinghua University, Chiaotung University, the Research Institute of Industrial Technology, the Precision Instrument Development Center, and the Institute of Food Industry Development, are located in this city. These are favorable conditions for scientific and industrial development and the "integration of construction and education."

Furthermore, in the vicinity there are electronics, electric machinery, machinery and petrochemical industrial enterprises which can provide support for, and benefit from the industrial enterprises built in the zone.

The Development of the "Zone"

The "zone" project, which was started in 1980 is divided into three phases, due for completion in 10 years. The phase will take 3 years to complete, with the stress on introducing a wide range of technology, attracting professional people, and absorbing the administrative experience necessary for developing technology intensive industries. The second phase, also lasting 3 years, is aimed at enhancing the zone's competitive power in the international market, developing its own product design and automation device manufacturing ability, bringing in a more ample supply of basic materials and component parts, directing the schools and research units concerned in running development projects needed by high-level industries, and accelerating the process of transplantation of science and technology. The third phase will take 4 years to complete, being aimed at encouraging local industrialists to actively invest in technology intensive industries and developing industrial branches. It is estimated that the electronics industry will make up 50 percent of the 150 business firms introduced into the zone, the precision machine and instrument industry 30 percent, the raw materials and energy industries 5 percent, with other industries comprising the remaining percent.

Now the first phase of the project has been completed and the second phase is in progress. In light of the progress in the past 3 years, the zone has the following three distinctions as compared with other industrial and processing and export zones in Taiwan:

1. From the angle of structure, the companies in the zone are highly capital and technology intensive. According to the regulations of the zone, all companies joining the zone must be technology intensive industrial enterprises "with ability to produce and develop high technology industrial products." Of the 40 companies or more which have already joined the zone, about two-thirds are computer manufacturing firms and the rest are engaged in the precision machine and instrument manufacturing business and material production. In the 1983, the average capital was \$2.2 million per company, equivalent to 14 times of the average capital for manufacturing firms in the province; the average research project development fund was \$210,000 per company, accounting for 8 percent of their business turnover, a percentage equivalent to 20 times of the average figure for the manufacturing firms in the province; and, of the 5,000 staff members in these companies, engineers and technicians account for 30 percent, about 4 times higher than the average in manufacturing firms.

2. With regard to the form of management, prime importance is attached to efficiency. The zone has its own general administration in charge of the centralized management of the zone and other services. The management of the zone has three special characteristics: First, management is completely geared to the need of the business firms for speedy and highly efficient service and all staff members must adopt the concept that "business firms' success is the zone's success." Second, convenience for investors is the basic consideration in introducing every "change" in management. The zone's general administration is to regularly hold various forums to collect up-to-date information. Third, all rules and regulations are enacted in the interests of high technology industrial development. Every plant in the zone practices the system of "go-around management." Executives "seldom stay in their offices reading piles of documents." They "no longer treat" their subordinates as "primary school pupils who simply do what they are told to do" but "vest them with full power to perform their duties" and "encourage them to take part in management."

3. More favorable terms are given to attract investors. Apart from reduction and exemption of tariff, merchandise tax, business tax, and profit tax on profit making undertakings, all business firms joining the zone are to enjoy the following special treatment: 1) There is no upper limit on the percentage of Overseas Chinese and foreign investment in an enterprise, in other words, an enterprise can be wholly owned by Overseas Chinese or foreign businessmen. 2) The government promises not to commandeer and purchase those enterprises more than half-owned by Overseas Chinese and foreign investors. 3) Overseas Chinese and foreign investors can apply to convert the dividends and accumulated interest into foreign currency and remit them abroad without restriction. 4) One year after their investment projects are completed, the investors may apply to remit up to 15 percent of their invested capital abroad every year, and so on.

The Problems Which the "Zone" Is Faced With

The first problem is the "disputes between different departments over the development policy for the zone." The department in charge of the zone project -- the "State Scientific Committee" insists on the necessity of "introducing high technology industries" while the "Economic Ministry," in view of the long-standing economic depression, suggests that the zone be developed into a second processing and exporting zone with requirements on investment projects lowered so as to introduce mass production and boost the economy. The disputes between the two departments have now seriously affected the development of the zone.

The second problem is that so far, foreign investors have not shown "great interest" in the zone. In view of the unstable political situation in Taiwan, most foreign firms do not want to introduce their advanced technological items into the zone. The Taiwan authorities have made every effort in the past few years to attract European and U.S. investors. However, few business firms have taken action to undertake investment although many have "established contacts" with the zone. The zone has encountered serious difficulties in implementing the guideline of "stressing the introduction of high technology industries" because the manufacturing firms joining the zone project have their own axes to grind. Some foreign firms have come to Taiwan to set up their retail branches while others just regard investment in the island as a means to "save taxes." Only handful of investors have come with the real purpose of developing high technology industries.

The third problem is the "shortage of professional personnel," especially "qualified people to meet the urgent needs." The shortage of professional personnel is mainly due to the standing problems relating to health service, education for children, and housing. In addition, so far, the firms joining the zone projects have failed to closely cooperate with the universities and research organizations in pushing through the staff retraining program. As new companies are being founded one after another, many firms are worried about a "more and more serious shortage of professional personnel."

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